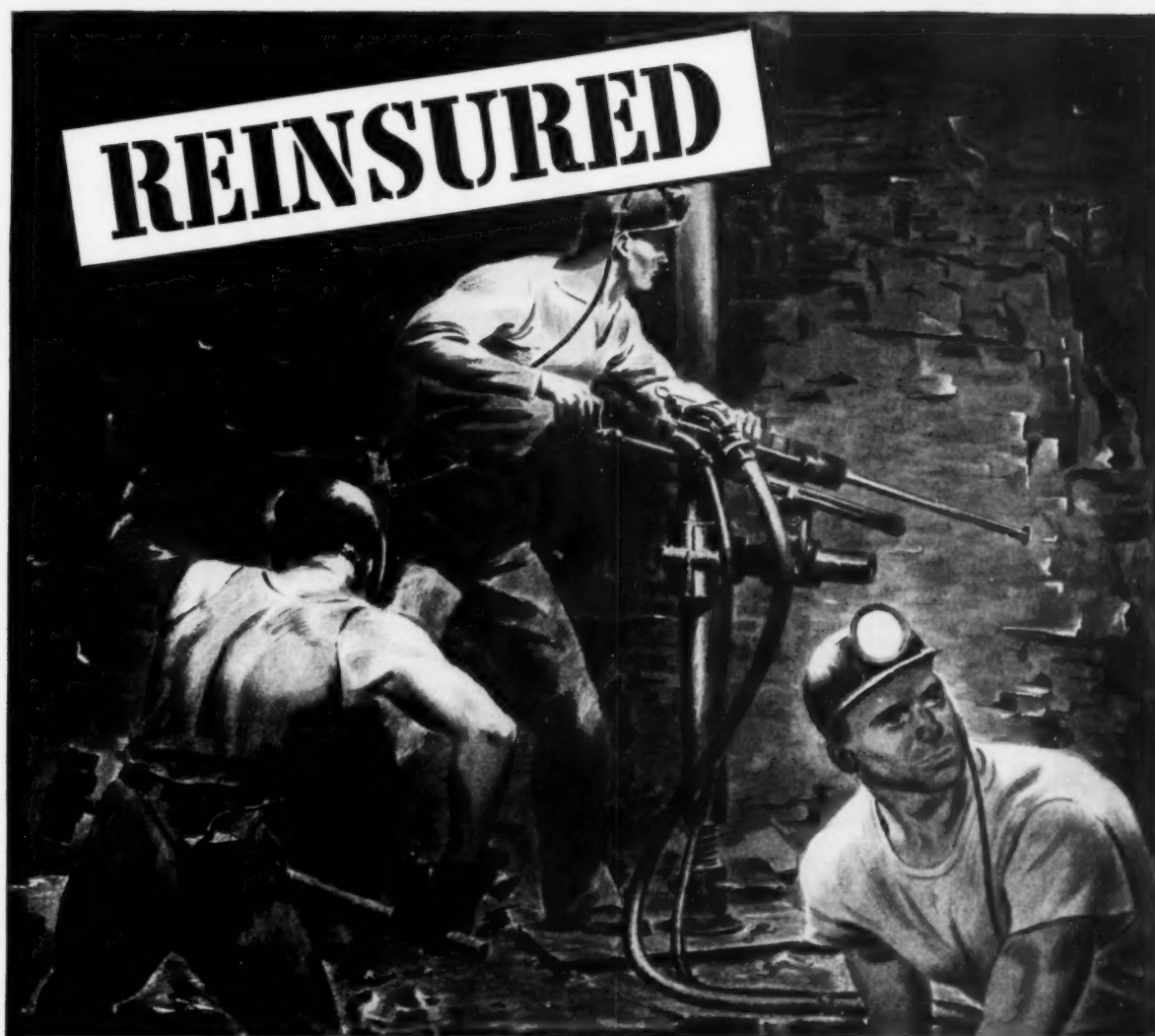


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THURSDAY, FEBRUARY 8, 1951

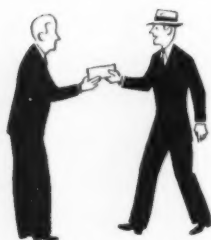
A great business...

There are two ways of measuring the property insurance business and the companies that engage in it.

One is its size—in millions of dollars. Considered thus, the National of Hartford Group is impressive, with assets, insurance in force and claims paid all in the multi-million dollar bracket.

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MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

FTC Hits Dealer, Financer Deception in Auto Coverage

**Must Itemize Insurance
Cost: Anti-Coercion
Flavor in One Rule**

WASHINGTON — Federal trade commission has promulgated trade practice rules to prevent deception in installment sales and financing of automobiles, and insurance coverage carried on the automobile. One of the rules has the flavor of an anti-coercion measure inasmuch as it permits a purchaser to choose his own company providing he can obtain coverage equally good or better than that offered by the lending institution's insurer.

FTC said that the practices described in the rules "are such as are considered to be prohibited by laws" administered by the commission. Rule 1 provides:

"It is an unfair trade practice for any seller or financing institution, acting individually or in agreement, combination, conspiracy, or collusion with one another, to make any false, misleading, or deceptive statements or representations concerning insurance coverage or rates, plans respecting methods of financing, or financing costs or rates, in connection with the sale at retail of motor vehicles on installment or deferred payment contracts."

Must Itemize All Charges

Rule 2 declares it an unfair trade practice "for the seller to fail, before the consummation of the sale, to furnish the buyer an itemization in writing signed by the seller separately disclosing to the purchaser the finance charge, insurance costs and other charges which are paid or to be paid by the purchaser, such failure to separately disclose such items having the capacity and tendency or effect of deceiving the purchaser as to the nature of his costs in the transaction or rendering competition with respect to the cost of financing and cost of the insurance involved ineffective from the standpoint of the purchaser."

However, rule 2 provides that the seller shall be deemed to have complied with the rule when he has furnished an itemization clearly disclosing "the cost of insurance, the coverage provided, and the party or parties to whom the insurance is payable," together with other information specified, or when all such information is clearly stated in the sales contract, chattel mortgage, or other instrument, and copy of same is furnished to the purchaser.

A footnote to this rule says that if at the time of the sale the seller does not know the precise cost of the insurance and cannot ascertain same without unreasonable delay, he may state an estimate of such cost based upon the applicable rate or rates specified in the current rate manual of a recognized standard insurance rating bureau, or upon the applicable rate or rates specified in a rate chart approved by the state commissioner. When the cost of the insurance, however, is so estimated the itemization to be furnished to the purchaser shall so state, and in addition shall state that the difference between the estimated cost and the actual cost and the portion of the finance charge

Atom Test Damage Raises Problems

**Fission Exclusion
in E. C. Different
from Other States**

The atomic weapon tests in Nevada are raising some interesting and puzzling questions about coverage of concussion or shock damage under the extended coverage endorsement. The Associated Press reported that a number of claims have been made against insurance companies for broken windows and cracked walls.

The extended coverage endorsement of the Pacific Fire Rating Bureau, which is used in Nevada, was revised in January, 1950, to incorporate a war risk exclusion clause which specifically mentions atomic weapons of war. However, the language is not the same as that which has been adopted in the extended coverage endorsement of other states and in a number of inland marine forms and seems much more ambiguous.

Pacific Coast Exclusion

The war risk exclusion clause in the Pacific Coast extended coverage endorsement states that it does not cover "loss caused directly or indirectly by (a) hostile or warlike action in time of peace or war . . . by military, naval or air forces; or (3) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing atomic fission or radioactive force shall be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces. . . ." The exclusion used in some other territories is much more specific, stating that the endorsement does not cover damage "caused by or resulting from . . . any weapon of war employing atomic fission or radioactive force, whether in time of peace or war." Had this exclusion been in force, there would seem to be little reason to doubt that there is no coverage for these losses, since, despite the secrecy of the atomic energy commission on the Nevada tests, it seems obvious that what are being tested at Nevada are actually atomic weapons of war, and not commercial or other peace time devices.

The language of the Pacific Coast exclusion immediately raises the question of whether the obvious fact that these

which is based on any overcharge, will be adjusted at the time of the payment of the final installment.

Another paragraph of the rules calls it an unfair trade practice for a financing institution to aid or abet the seller in concealing insurance or other information required under the rules.

Rule 5 states that "It is an unfair trade practice for any seller or financing institution, either individually or in agreement or collusion with each other, to condition the installment sale or financing of a motor vehicle on the purchase of an insurance policy from a particular insurance company when equivalent or better coverage by another insurance company is available and the purchaser desires to purchase the policy of such other company, where the effect of such conditioning may be to substantially lessen, stifle, or suppress competition. This rule shall not prevent the exercise by the financing institution of the right to approve or disapprove for good cause the insurance company selected to underwrite the insurance."

Escott Plan Foes File Competing Plan Throughout Country

The plan for rating multiple location risks which was outlined at the National Assn. of Insurance Commissioners convention at Los Angeles by J. Victor Herd, executive vice-president of America Fore, has been filed with all rating organizations over the country by America Fore and several other companies or company groups acting individually. The other companies include Royal-Liverpool, Automobile, Firemen's and other opponents of the Escott plan.

The plan provides for a maximum credit in the rate of 25%. There is a maximum 5% credit for dispersion of risk; 5% maximum for number of locations and 15% maximum for size of premium. In any event, however, the first \$1,000 of premium is inviolate and not to be debased. Two or more merchandise or contents locations constitute a multiple location risk. There is no dispersion credit where values at any one location comprise 51% or more of the total.

The maximum credit is for risks in which values at any one location do not exceed 2% of the total. The maximum credit for number of locations is for risks with 501 or more locations and the maximum credit for premium size is for \$65,000 and more. These various credits apply to premiums in excess of \$1,000. Written into the plan is the fact that the term rule is applicable for eligible classes and the customary credit of 5% is available for full insurance to value on all perils.

tests are being conducted by an agency of the United States government might not be accepted by a judge as rebutting the supposed "conclusive presumption" that the use of these atomic devices is a "hostile or warlike action." It is true that the exclusion is not confined to acts of hostile forces and could be interpreted as including any action by the United States or allied powers—including acts by civilian agencies—but the exclusion does not say so clearly. Should these matters ever get to court, it would surprise few attorneys if a judge should hold that, if the insurance companies had wished to exclude any damage from explosion of atomic weapons, in peace or in war, they should have said so specifically, as they do in the other exclusion. Actually, lawyers have shuddered at the thought of a court test of this ambiguous clause ever since it was promulgated.

Older Forms

Since the new clause is only a little more than a year old, there undoubtedly are many older policies written for three or five year terms, without this exclusion, still in force. It is taken for granted that the older war exclusion clause, referring to enemy attack by armed forces, would not operate in such a case. This is strengthened by the fact that both American and British courts have held universally—and without too much patience with the exact language employed in the insurance contract—that war exclusion clauses do not apply to acts which could occur in peace time. Since weapons of war are tested in peace time, it seems almost a foregone conclusion that there would be no escape for the insurance companies under the older clauses. The point of the new atomic fission exclusion is that it applies to atomic weapons in peace or in war. In other words, it is not, strictly speaking, a war exclusion

(CONTINUED ON PAGE 14)

La. Throws Term Rule Open to Nearly All Classes

**Builders' Risk and
Reporting Policies Are
the Only Exceptions**

NEW ORLEANS — Louisiana Rating & Fire Prevention Bureau, in a revision of its rules regarding term insurance, provides that with the exception of builders' risks and reporting policies, all risks will be eligible for term insurance. This will include stocks of merchandise, which in the past could be written for only one year.

W. H. Kirchem, chairman of the fire division of the Louisiana Insurance Rating Commission, released a statement outlining the reasoning of the commission in ordering the term rule thrown open to all classes. Most of the risks which previously could be written for annual terms only are classes of property which are not particularly desirable. Such risks, when restricted to the annual basis, came up for review oftener and the companies could drop or reduce their lines on these classes at shorter intervals than if the policies had been written for three-year or five-year periods. What the commission is telling the companies is that they cannot use the term rule as an aid to their underwriting. Of course, the companies may attempt individual action to restrict their acceptances on accommodation business to one-year terms, but it is pretty hard for any company to try to keep its agents from giving the assured all that the rules will permit.

Statement by Commission

The statement declares that the commission "has always held that term insurance was based upon the principles of a long term contract payable in advance, on which the total premium is earned in case of any total loss and a reduction in rate was given because of the use of the premium for additional years and single handling of the multiple year contract. For these reasons Louisiana has not allowed the use of the various deferred payment plans."

"To further advance its belief that term insurance was based upon the above stated factors, Louisiana has changed the term rule so that all risks excepting those which by their nature do not lend themselves to term insurance may be insured under a term contract. This we believe eliminates the discriminatory feature of the term rule since it removes any support by any underwriting factor."

"We do not accept the present reduction in rate of term contracts as being statistically correct, but insist that they

(CONTINUED ON PAGE 14)

Rail Strike Delays News

The national strike of railroad switchmen is responsible for any delay of this copy of THE NATIONAL UNDERWRITER in reaching you and of the issue published a week ago. Publications other than daily newspapers were in many instances not moved at all through the mails, because they are routed on the railroads.

O'Connell Remains at Cincinnati Helm

Arthur M. O'Connell was reelected president and Thomas T. Bryant vice-president of Cincinnati Fire Underwriters Assn. last week. This was done at the organization meeting of the new governing committee, which consists, in addition to the two officers, of R. F. Folz, H. F. Schottenfels and H. P. Sweeney.

Mr. O'Connell, one of the few men in history to serve three terms as president of the Cincinnati board, has been vice-president of Thomas E. Wood, Inc., since the Eureka-Security agency, which was owned by Mr. Wood and of which Mr. O'Connell was general manager, was merged with the Wood organization in 1947. A native Cincinnati and an attorney, Mr. O'Connell broke into the insurance business as a claim adjuster for Travelers, later



A. M. O'Connell

becoming Cincinnati claims manager of General Accident before going with the Eureka Security agency in 1936. He is chairman of the property insurance committee of National Assn. of Insurance Agents, chairman of N.A.I.A.'s middle-west territorial conference and was recently elected vice-president of Ohio Assn. of Insurance Agents.

Mr. Bryant, a partner in the Walter P. Dolle & Co. agency, has been an active and prominent member of Cincinnati board for many years. He served one term as president several years ago, but was unable to accept reelection because of his health.

The new governing committee reelected J. F. Schweer secretary, thus starting Mr. Schweer into his 32nd year in this capacity.

Consider Kirkpatrick as Neville's Replacement

WASHINGTON—A. L. Kirkpatrick, manager U. S. Chamber of Commerce insurance department, is under consideration for appointment to succeed John Neville as executive secretary of National Assn. of Insurance Agents. Mr. Neville has gone into the army. Mr. Kirkpatrick is understood to have conferred with N.A.I.A. people in New York.

Central Mfrs. All-Risk Form Approved

The Ohio insurance department has approved the all-risk dwelling endorsement of Central Manufacturers Mutual. It is the same as the form filed and approved in New York by Transportation Insurance Rating Bureau, except that there is an additional exclusion of damage from explosion of steam boilers and flywheels. At present, this coverage is being written in Ohio only, but Central Manufacturers intends to file it in other states. The additional charge is 10 cents per \$100, with no minimum additional premium. At least 75% insurance to value will be required, although there is no coinsurance clause.

The endorsement is attached to a fire policy with extended coverage endorsement and the usual dwelling form and may be used only on dwelling risks. It extends the fire policy and extended coverage endorsement to cover against all risks, with a few exclusions, such as loss from latent defects in the premises, wear and tear, depreciation, gradual deterioration, dampness of atmosphere, molding, rotting, chemicals, smoke or smudge from fireplaces or industrial or agricultural apparatus, insects, including termites, vermin and rodents, etc., ordinary settling of foundations, flood, waves, mechanical breakdown and war risks, including weapons of war employing atomic fission or radioactive force. The additional exclusion of explosion of steam boilers or flywheels was necessitated by the fact that Central Manufacturers does not have a multiple line charter and could not cover these risks, which are reserved to casualty companies in Ohio. There is a \$50 deductible applying to each loss under this endorsement, but not to loss covered under the fire policy or extended coverage endorsement.

Plan Big Okla. City Affair for T. E. Braniff

A week-long celebration is being planned at Oklahoma City beginning Feb. 18 for Thomas E. Braniff, general agent for a number of companies in the southwest, who is marking his 50th year in the business.

Mr. Braniff started in the business at Oklahoma City with Frank Merrill, selling fire insurance from an office which cost them \$4 a month. From this he has built up one of the largest general agency systems in the country, and in addition has acquired a number of other business interests.

He is president of Prudential Fire, which recently was reactivated, owner of considerable Oklahoma City real estate, and director of a number of large organizations. In addition he organized a mortgage loan company in 1917, operating on the theory that large companies would lend money on safe real estate securities in the southwest. He later organized Providence Mortgage Co., which sells mortgage bonds carrying surety bond guarantees. He also is identified financially with Braniff Airlines, which was organized by his brother, Paul Braniff.

Mr. Braniff has been exceedingly active in both civic and insurance organization affairs.

Rural Protection Bill in Utah

A bill to provide for the creation of fire protection districts in any county, or counties, of Utah has been introduced to the legislature there and such districts would be permitted to acquire property and improvements, issue bonds and levy taxes to carry out a protection program.

Adrian W. Hatch, former president of

the Utah Assn. of Insurance Agents, was chairman of a committee representing several organizations which drew up the bill. A. A. Ross, Utah engineer of the Pacific Board, acted as adviser to the committee.

The bill has passed the senate, but because of house amendments is now in conference.

The senate has also passed a measure providing for the standardization throughout the state of fire hose and hydrant coupling threads "within a reasonable time." The sale of non-standard equipment would be punishable. The standards to be adopted are those of the National Board.

Plans Okla. Agency Bill

Commissioner Dickey of Oklahoma is drafting an agency bill to be introduced into the current legislature. The department has held separate hearings with representatives of life companies and fire and casualty companies to determine what provisions should be included.

Fire Protection Officials Meet

Maintenance of rigid qualifications for membership was stressed at a meeting at New York City of the executive committee of Society of Fire Protection Engineers, a new professional engineering section of National Fire Protection Assn. The committee discussed the agenda for the annual meeting to be held at Detroit in May.

Nat'l Union Chief



H. A. Yates



W. A. Rattelman

W. A. Rattelman, whose election as president of National Union Fire of Pittsburgh was reported last week, also is president of National Union Indemnity and vice-president of Birmingham Fire. Mr. Rattelman succeeds Henry A. Yates, who is retiring under the company pension plan but will continue as a director. John M. Thomas, president from 1931 until 1950 when he was elected chairman, continues in that capacity.

In other changes, William McLean was named vice-president and treasurer. Before joining National Union in 1947 as treasurer, Mr. McLean for many years was with Joseph Fraggatt & Co., insurance accountants. Robert F. Miller, formerly manager for Allegheny county, was reelected vice-president and assigned to the home office.

Brady Goldsmith, who joined the company in 1932 as an examiner in the southern department, was appointed vice-president. He previously had served as agency superintendent and as secretary. Carl M. Simmerman was advanced from secretary to vice-president and T. E. Frey from assistant secretary to secretary. Both have been with the company since 1946.

Mr. Rattelman is well and favorably known in the business. A native Pittsburgher, he acquired his early training during vacation seasons with local companies in that city. After serving in the first war he spent some time in another industry, but shortly returned to the fire insurance business. Following several years with other companies, he joined National Union in 1931 as New York manager. In 1943 he was transferred to the home office as vice-president.

Mr. Yates served as vice-president from 1931 to 1950, at which time he was named president.



American Equitable Assurance Company of New York

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

Merchants and Manufacturers Insurance Company of New York

Organized 1849

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Corroon & Reynolds, Inc.

MANAGER

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Losses paid exceed Three Hundred Fifty Million Dollars

RETAINED ALONG COAST

Tex. Commissioners Abolish Mandatory Wind Deductible

The Texas commissioners have abolished the mandatory \$100 deductible on windstorm except in the first two rows of counties along the Gulf coast, comprising 28 counties. The commissioners decided to permit non-deductible policies as soon as new rates can be figured. They chose to retain the mandatory \$50 deductible clause on farm buildings.

There is no indication whether the bills pending in the Texas legislature to take away the commission's authority to prescribe a mandatory deductible will be pushed ahead. The bills have not been acted upon and their sponsors are apparently undecided whether the commission order would affect their bills. It is felt that backers of the bill will continue to fight to prohibit any mandatory deductible clause.

"Important Announcement" by Gov. at Mich. Meeting

LANSING, MICH.—An "important announcement" is promised when Gov. Williams addresses the mid-year meeting of Michigan Assn. of Insurance Agents at Detroit the evening of Feb. 15. He was originally scheduled as a luncheon speaker but his appearance has been shifted to the banquet program.

Officers of the Michigan association would not hint at the nature of the announcement but there has been much speculation that he might seize the occasion to reveal the identity of his choice for insurance commissioner when David A. Forbes leaves office. The commissioner's term does not expire until fall but his friends say that, under satisfactory circumstances, he would be willing to retire from office earlier.

In place of the governor, J. F. Van Vechten, Akron, O., vice-president of N.A.I.A., will be the luncheon speaker Feb. 16. Col. Jack Major of Paducah, Ky., will make the principal talk at the banquet. Prizes are to be provided for the ladies in attendance through Insurance Women's League of Detroit.

Rumor Has Gov't Moving for War Damage Code

WASHINGTON—The national securities resources board is understood to be preparing, for the budget bureau, a report on war damage. NSRB people have talked with government officials and insurance people about the matter.

This situation indicates to some observers that the administration is preparing to move for war damage legislation.

Home Opens N. M. Office

Home and Home Indemnity have opened a New Mexico office at Albuquerque, with Wilber Wolfe as state agent. Mr. Wolfe has long experience in insurance and at one time operated his own agency.

New Rules in Maryland

Commissioner Hanley of Maryland has promulgated the uniform rules and regulations governing auto finance business that were approved by National Assn. of Insurance Commissioners at Los Angeles in December.

Aetna Ups Rust, Northrop

Charles S. Rust, field supervisor of the Aetna Life companies since 1948, has been appointed assistant manager of the engineering and inspection department, and Willard H. Northrop, a safety engineer for 14 years, was advanced to supervising marine engineer. Mr. Rust has been with the depart-

ment for 10 years and before going to the home office was supervising engineer in the Chicago area.

Mr. Northrop succeeds Charles F. Pierce, who has retired. He will be in charge of electrical, engine breakage and marine surveys.

I.E.A. Revises Form for Automatic Reinstatement

Regional fire advisory organizations have received from Insurance Executives Assn. a revised form of suggestion

on the endorsement to effect automatic reinstatement after loss. The present recommendation is a simple one, designed to avoid the need of companies and their agents taking definite action on reinstatement and thus multiply instead of reduce their detail work.

When the Southeastern Underwriters Assn. endorsement was passed on to other regional groups, the reaction of many company executives was that it made work instead of reducing it.

The new recommendation is that "the reduction(s) in the amount of this policy resulting from loss hereunder shall

be automatically reinstated, to the extent of, and concurrently with, the repair or replacement of property damaged or destroyed."

Utah Dept. Wants \$49,340

Commissioner Terry of Utah has submitted a budget to the legislature in the amount of \$49,340 for the 1952-53 biennium. This is an increase of more than \$10,000 over the present budget. Gov. Lee made no specific recommendation for the insurance department in his tax message.



...and how many of your clients are in the same fix? Are you watching both building and contents costs—continuing inflation—and all the factors which are lifting property valuations? Are you content to renew fire and other coverages without going to the bat for a realistic reappraisal and enough added insurance to meet today's replacement costs?

This timely subject is discussed in the

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Aviation... a most valuable adjunct in peace or war... has made remarkable strides not only in production but in miles flown and passengers carried. A large part of this sensational increase has been due to the cooperation between manufacturers, air lines and insurance companies. The latter have contributed substantial financial assistance through investments and the development of new types of policies to meet every requirement. This is further evidence of the part insurance plays in national preparedness.



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The Insurance
Agent is a
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IT'S SOMETHING WORTH TELLING

It's worth telling people over and over again that the Insurance Agent who sells Service, Safety and Security is always "a good man to know!"



Ohio Farmers Companies

OHIO FARMERS INSURANCE COMPANY - Chartered 1848
OHIO FARMERS INDEMNITY COMPANY

Le Roy, Ohio

EASTERN DEPARTMENT: Philadelphia - PACIFIC COAST DEPARTMENT: Los Angeles, Oakland, San Francisco

Sorensen Asst. Secretary of Eastern Underwriters Assn.

Jarl T. Sorensen has been appointed assistant secretary of Eastern Underwriters Assn. with duties consisting principally of handling the work of the rating methods research committee. A graduate of Illinois Institute, he studied law three years while with Ohio Inspection Bureau at Cleveland and Cincinnati. Beginning in 1933 he was with Western Actuarial Bureau until 1939 and was an instructor in several insurance rating courses.

He has been with North America since 1939, except for navy service, first as engineer at Chicago, special agent and engineer at Des Moines, and at the head office since the war. He was technical representative in charge of public utility production and technical service in the east and south until 1948, and since has been class underwriter with responsibility for special risk classes. He is a member of several important committees of Special Risk Underwriters Conference and National Fire Protection Assn.

Pittsburgh Day Program Is Completed; Thomas on Card

John M. Thomas, chairman of National Union Fire and a past-president of National Board, who usually avoids the spotlight, has been persuaded to deliver a toast at the dinner on Pittsburgh Insurance Day, Feb. 27.

Also to be featured on the dinner program will be Pittsburgh's mayor, David L. Lawrence, who is president of the Harris-Lawrence agency, and always issues a formal proclamation calling for the observance of Insurance Day.

The fire and marine forum is to be addressed by P. S. Ayers, vice-president of Appleton & Cox, and William J. Traynor, assistant secretary of North British. Carl A. Ernst, North American Life & Casualty, St. Paul, will speak to the A. & H. forum as vice-president of International Assn. of A. & H. Underwriters.

William C. Fland, vice-president of Allemania, will be the moderator for the fire and marine forum. Serving on the panel will be J. C. Keegan, marine office of America; Douglas W. Rodda, general adjuster of National Union Fire and Carlton Timberman, special agent of Fireman's Fund.

R. C. O'Connor, assistant vice-president of Reliance Life, will be the A. & H. moderator. The panel will include I. A. Cohen, leading A. & H. producer for Reliance; Saul Frankel, Philadelphia Life, president of Pittsburgh Assn. of A. & H. Underwriters; John R. Hawkins, sales director of Hale & Hale agency of Mutual Benefit H. & A.; David H. Kelly, district manager for American Health and Gordon Williams, Loyal Protective Life.

"What's the Answer?" is the title of the address to be delivered at the luncheon by Melvin J. Miller, president of the National Assn. of Insurance Agents. The luncheon will be conducted by the Pittsburgh association.

Western Makes Kansas Shifts

Western Adjustment, following advancement of Ralph F. Vohs, Dodge City manager, to manager at Sioux Falls, S. D., has transferred Vernon Barnes, Garden City, to manager at Dodge City. Ray Mathiasmeier of Topeka succeeds Mr. Barnes as manager at Garden City. Joe Hanna of Garden City was transferred to Salina and succeeded by Clyde Stallsworth, formerly at Great Bend.

Insurance Women of St. Louis held their "bosses night" dinner meeting with 140 in attendance. John J. O'Toole, of F. D. Hirschberg Co., chairman of the executive committee of Missouri Assn. of Insurance Agents, was master of ceremonies. A style show featured spring hats, each of which represented a line of insurance, such as camera floater, fire, business interruption, personal property floater, fur floater, etc.

Ohio Mutual Agents Clinic Participants Named

Personnel of the panels of the four spring clinics to be conducted by Ohio Assn. of Mutual Insurance Agents March 7-8 has been completed. There will be five agents on each panel.

At Hamilton on March 7 the panel will consist of J. R. Hare, Bellefontaine; Harold Brookhardt, Columbus; J. G. Stansfield, Dayton; Roger Warner, Arcanum, and H. K. Urban, Dayton. On the same day at Findlay a discussion will be carried on by K. H. Harger, Bowling Green; T. B. Guy, Bellefontaine; Howard Pierce, Fremont, E. V. Siefert, Lima, and Thomas Bartlett, North Baltimore.

March 8 at Granville, on the panel will be Charles Bland, Zanesville; R. H. Swisher, Springfield; G. W. Harsh, Minerva; R. A. Miller, Zanesville, and G. M. Metz, Lancaster. At Akron the same day participants will be Austin Ward, Cleveland; John Duerr, Canton; E. F. High, Columbus, past president of the association; B. G. Sager, Cleveland, past president of both the state association and National Assn. of Mutual Insurance Agents, and H. P. Young, Columbus.

As previously announced, J. C. Barber, Columbus, special agent Northwestern Mutual Fire, will be moderator at the Hamilton and Granville clinics and E. H. Adolph, Columbus, state agent Pawtucket Mutual, at Findlay and Akron. The theme will be "Your Future in '51," and the discussions will cover a variety of current topics.

Add to Memphis Meet Card

Charles A. Dawson, Fargo, N. D., a member of the executive committee of the National Assn. of Insurance Agents, and John M. Hennessy, Louisville, have been added to card for the midwest territorial conference of the National Assn., to be held at Memphis, March 12-13.

Mr. Dawson will appear on the interstate agents panel in support of his long time contention that policies are ambiguous and mystifying to the insuring public. Mr. Hennessy will discuss "The Need for a National Rating Organization."

Write Up Annual Meeting

The annual meeting of Germantown Mutual of Wisconsin, which according to custom has been given over after the morning business meeting to a dinner and afternoon of intermittent voting and entertainment, was treated extensively in an article in the Milwaukee Journal. The company is 97 years old and has assets of \$1,046,105 and surplus to policyholders of \$665,786.

To Mark 100th Birthday

Richland Mutual of Mansfield, O., in May will celebrate its 100th anniversary, and the company will open the ceremonies with a meeting of agents from Mansfield and more than 200 others throughout Ohio. Hiram S. Caldwell is president.

Muskegon Agents Elect

George Wilkinson has been elected president of Muskegon (Mich.) Assn. of Insurance Agents. Vice-president is Larry Den Hollander, Muskegon agency; secretary, Ted Cooper, Harvey-Cooper agency; treasurer, Don Czekuc, Easton-Quick.

Report Out Ia. License Bill

DES MOINES—The senate insurance committee has reported out without any recommendations an agents qualification and licensing bill sponsored by Iowa Assn. of Insurance Agents. It now goes on the senate calendar. The house insurance committee reported out for passage a companion bill.

Copenhagen Reinsurance has applied for license in California.

Clinic

of the four
ed by Ohio
Agents
eted. There
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Buyers Discuss War Cover, Storm Loss Procedure

NEW YORK — Savings Bank Insurance Forum of New York at its meeting here went on record in agreement with Risk Research Institute's recommendation that renewal insurance certificates be adopted. F. W. Doremus, manager Eastern Underwriters Assn., spoke.

The insurance committee of National Assn. of Mutual Savings Banks has been working with J. Victor Herd, vice-president of America Fore, on suggestions relative to war damage insurance.

F. G. Baker of Manhattan Savings Bank, chairman of the liaison committee of the forum with the banks' association, said that the latter's subcommittee on insurance has suggested that war damage policies be written without named insured and mortgagee and that \$15,000 be provided as free coverage on dwelling properties, with any amount above to be paid for. Also, the recommendation is that there should be no coinsurance and that the rate structure be simple. It is also suggested that there be automatic renewal of policies without payment of premium if there are no enemy attacks.

Upstate Meeting in April

The upstate meeting of the forum will be held April 19-20 at Buffalo, with the theme, "Alerting the Insurance Department to Provide Maximum Protection."

One suggestion for speeding up handling of thousands of small claims arising from the November 25 windstorm has been to waive inclusion of the mortgagee's name on small loss drafts. The general feeling of the forum was that permitting insurers to do this would not impair the bank's rights. The FHA is not too much concerned about such action. However, it was pointed out that FHA is entitled to notice of losses of \$300 or more so that inspection of premises may follow. A recent amendment to FHA regulations eliminates the charge for such inspections.

One bank uses the following form letter in connection with omission of a mortgagee's name on small wind losses, "Please consider this letter authorization to eliminate the name of bank from loss drafts where the total loss does not exceed \$100; this is only to apply to damage that occurred as a result of the storm of November 25, 1950. We trust this will facilitate the disposition of this matter to our mutual satisfaction."

The forum rendered Mr. Doremus a vote of thanks for E.U.A. efforts in having the \$500 automatic fire reinstatement loss clause made effective.

Makes Sabotage Study

NEW YORK—National Assn. of Insurance Brokers has completed a special study of so-called "sabotage insurance." The association believes that barring a declared war where damage resulting from sabotage might be shown to be an enemy act of war, damage and loss resulting from sabotage can be insured through standard policies and endorsements currently available.

In the event of a declared war, the association holds that damage and loss from sabotage would be excluded under the war exclusion clause.

Republic Names Cannon

Wilford L. Cannon has been named assistant treasurer of Republic of Dallas. The company also has increased its board from nine to 13 members.

Canadian Marshals' Meet Set

The annual meeting of the Association of Canadian Fire Marshals will be held at Windsor, Ont., May 10-12, following the annual meeting of National Fire Protection Assn. at Detroit May 7-11. Percy Bugbee, manager of the

N.F.P.A., will be one of the featured speakers at the Canadian meeting. Other Americans on the program are T. Alfred Fleming, National Board; Charles Morgan, secretary fire marshals' section of N.F.P.A., and Fire Chief John Alderson of Los Angeles.

Stringent Miami Roofing Code Result of Fla. Blow

Although most of the damage caused by Miami's big blow of Oct. 17 has been repaired, the hurricane's force will be felt by the city's building code on

Feb. 21 when an emergency roofing ordinance goes into effect. Donald B. Sherwood, general adjuster, and Gordon L. Ingebritson, assistant general adjuster, of the National Board, worked with the Builders Exchange of Miami in drafting a much more stringent code.

Except for automobiles and glass, almost all of the millions of dollars of claims following the October storm were for roof damage. Among the provisions of the new ordinance are adequate inspection as work progresses and before roof sheathing is enclosed; a first layer of 30-pound felt, or two layers of 15-pound felt; nailing at specified

intervals, nails to be of required length; water-tested tile, which must come up to stated standards; all other materials to meet stated specifications. A \$500 fine or imprisonment up to 60 days is provided for each violation.

Elect Westmyer President

Warren Westmyer, Pacific Employers, has been elected president of Insurance Credit Managers Assn. of Los Angeles. Jack Mitchell, American Associated, is vice-president; Robert Murphy, Employers group, treasurer, and Lyle S. Collings, Anchor Casualty, secretary.

Annual Statements

as of December 31, 1950

Of the Companies of the

America Fore
INSURANCE GROUP

(As filed with the Insurance Department of the State of New York)

THE CONTINENTAL INSURANCE COMPANY

ASSETS		LIABILITIES	
*Bonds and Stocks.....	\$233,359,513.00	Unearned premiums.....	\$ 57,072,399.61
Real Estate.....	151,780.63	Losses in process of adjustment	18,658,619.19
Agents balances (not 90 days		Reserve for reinsurance.....	560,437.44
overdue).....	5,792,115.88	Reserve for taxes and expenses	5,341,000.00
Interest accrued.....	538,851.06	Reserve for dividends.....	1,249,428.00
Cash on deposit and in office	7,027,628.59	Reserve for all other liabilities	1,945,039.01
All other assets.....	4,271,992.58		
Total Admitted Assets.....	\$251,141,881.74	Capital.....	\$25,000,000.00
		Net Surplus.....	141,314,958.49
		Policyholders' Surplus.....	166,314,958.49
			\$251,141,881.74

*Valuations on basis approved by National Association of Insurance Commissioners. If actual December 31, 1950 market quotations of bonds and stocks had been used the total admitted assets would be \$251,005,278.34 and policyholders' surplus \$166,943,197.44.
†Securities carried at \$2,551,301.00 in the above statement are deposited for purposes required by law.

NIAGARA FIRE INSURANCE COMPANY

ASSETS		LIABILITIES	
*Bonds and Stocks.....	\$ 58,785,251.00	Unearned premiums.....	\$ 20,831,723.37
Agents balances (not 90 days		Losses in process of adjustment	2,013,327.08
overdue).....	2,826,113.81	Reserve for reinsurance.....	115,882.96
Interest accrued.....	106,544.28	Reserve for taxes and expenses	2,044,000.00
Cash on deposit and in office	2,739,143.16	Reserve for all other liabilities	61,892.30
All other assets.....	200,630.66		
Total Admitted Assets.....	\$ 64,657,682.91	Capital.....	\$5,000,000.00
		Net Surplus.....	34,590,857.20
		Policyholders' Surplus.....	39,590,857.20
			\$ 64,657,682.91

*Valuations on basis approved by National Association of Insurance Commissioners. If actual December 31, 1950 market quotations of bonds and stocks had been used the total admitted assets would be \$64,717,383.41 and policyholders' surplus \$39,617,402.41.
†Securities carried at \$1,102,160.00 in the above statement are deposited for purposes required by law.

FIDELITY-PHENIX FIRE INSURANCE COMPANY

ASSETS		LIABILITIES	
*Bonds and Stocks.....	\$199,546,041.00	Unearned premiums.....	\$ 45,077,887.75
Real Estate.....	118,693.71	Losses in process of adjustment	16,889,756.43
Agents balances (not 90 days		Reserve for reinsurance.....	385,813.24
overdue).....	4,763,363.90	Reserve for taxes and expenses	3,613,000.00
Interest accrued.....	260,718.89	Reserve for dividends.....	999,574.00
Cash on deposit and in office	4,448,546.56	Reserve for all other liabilities	1,692,187.65
All other assets.....	3,523,492.99		
Total Admitted Assets.....	\$212,560,857.05	Capital.....	\$20,000,000.00
		Net Surplus.....	123,902,637.98
		Policyholders' Surplus.....	143,902,637.98
			\$212,560,857.05

*Valuations on basis approved by National Association of Insurance Commissioners. If actual December 31, 1950 market quotations of bonds and stocks had been used the total admitted assets would be \$213,016,662.05 and policyholders' surplus \$144,448,617.29.
†Securities carried at \$1,650,079.00 in the above statement are deposited for purposes required by law.

AMERICAN EAGLE FIRE INSURANCE COMPANY

ASSETS		LIABILITIES	
*Bonds and Stocks.....	\$ 46,114,706.00	Unearned premiums.....	\$ 14,072,145.49
Real Estate.....	2,498,560.25	Losses in process of adjustment	4,115,170.31
Mortgage loans on real estate	10,031.25	Reserve for reinsurance.....	26,245.31
Agents balances (not 90 days		Reserve for taxes and expenses	1,940,000.00
overdue).....	1,935,828.93	Reserve for all other liabilities	743,645.14
Interest and rents accrued.....	86,069.64		
Cash on deposit and in office	1,876,399.87	Capital.....	\$,000,000.00
All other assets.....	1,266,433.73	Net Surplus.....	27,890,823.42
Total Admitted Assets.....	\$ 53,788,029.67	Policyholders' Surplus.....	32,890,823.42
			\$ 53,788,029.67

*Valuations on basis approved by National Association of Insurance Commissioners. If actual December 31, 1950 market quotations of bonds and stocks had been used the total admitted assets would be \$53,747,053.07 and policyholders' surplus \$32,861,932.64.
†Securities carried at \$270,000.00 in the above statement are deposited for purposes required by law.

THE FIDELITY and CASUALTY COMPANY OF NEW YORK

ASSETS		LIABILITIES	
*Bonds and Stocks.....	\$123,466,162.00	Unearned premiums.....	\$ 35,789,695.00
Real Estate.....	30,159.08	Reserve for claims.....	48,308,055.26
Agents balances (not 90 days		Reserve for reinsurance.....	297,279.54
overdue).....	10,780,329.19	Reserve for taxes and expenses	2,866,538.00
Interest accrued.....	379,459.48	Reserve for all other liabilities	517,490.29
Cash on deposit and in office	6,118,820.56		
All other assets.....	3,339,822.91	Capital.....	\$2,250,000.00
Total Admitted Assets.....	\$144,123,753.22	Net Surplus.....	\$4,094,695.13
		Policyholders' Surplus.....	56,344,695.13
			\$144,123,753.22

*Valuations on basis approved by National Association of Insurance Commissioners. If actual December 31, 1950 market quotations of bonds and stocks had been used the total admitted assets would be \$144,406,872.02 and policyholders' surplus \$56,738,126.92.
†Securities carried at \$1,300,289.40 in the above statement are deposited for purposes required by law.

HOME OFFICES: EIGHTY MAIDEN LANE, NEW YORK 38, N. Y.

Glens Falls Has N. Y., Ohio Changes

Glens Falls group has appointed A. J. Davidson as manager at Poughkeepsie, N. Y. He will have supervision of the mid-Hudson territory.

William P. Leonard, Jr., special agent, has been named assistant manager.

J. Arthur Blanchard, formerly manager for Glens Falls Indemnity at Poughkeepsie, has been transferred to

New York city as manager of casualty and bonding.

Mr. Davidson joined Glens Falls in 1918. After seven years in the home office, he became a special agent at Tarrytown and later transferred to Poughkeepsie as special agent and late state agent.

Mr. Blanchard started with Glens Falls Indemnity in 1929. He was an underwriter for 10 years in the home office and in the field. In 1939 he was promoted to special agent, and three years later transferred to Poughkeepsie as manager.

Mr. Leonard started at the home of-

fice of the Glens Falls Indemnity in 1939. After three years in the navy, he returned to the home office and in 1946 he was sent to Poughkeepsie as special agent.

Glens Falls group has named B. O. Evans as manager of the newly created Ohio department with headquarters at Columbus.

Bernard C. Nagel will, as heretofore, be manager of the automobile, casualty and bonding division, while W. C. Barr will continue as special agent for these lines.

Paul A. Haas will continue as superintendent of the survey division, assisted by Ezra T. Powers.

Harold Y. Bain, Jr., is transferred from Poughkeepsie to succeed Mr. Evans as special agent for northeastern Ohio.

Mr. Evans is a law graduate of Ohio State University. He is celebrating his 25th anniversary with Glens Falls this year.

Mr. Bain is a graduate of Syracuse University and a navy veteran. He has served as special agent at Poughkeepsie.

van Wagenen Agency Adds Columbia, London Guar.

The G. D. van Wagenen Co. at Minneapolis has been appointed Minnesota general agent for Columbia and London Guarantee of the Phoenix-London group. The company also acts as general agent for Mercantile, Charter Oak, Albany, Caledonian, State of Pennsylvania, Farmers of York and Provident Life of North Dakota.

Mr. van Wagenen is completing his 30th year in insurance in Minnesota and 12 years as a managing general agent. He has been extremely active in insurance organizations, having been most loyal gander of the Minnesota Blue Goose, president of Minnesota Fire Prevention Assn., president of Minnesota Fire Underwriters Assn. and chairman of its public relations committee.



G. D. van Wagenen

Regional at Oakland Feb. 8

An open forum discussion of agency affairs will highlight the regional meeting of California Assn. of Insurance Agents at Oakland Feb. 8. Robert E. Dawson, secretary of the state association, will be the principal speaker.

The three main issues to be considered, according to Ivan S. Rankin, president of the Oakland association, which will be host, are the menace of group writings to the American agency system; the role the state association will take before the legislature, and a discussion of the insurance department's fiduciary proposals.

Rob D. C. Agency of \$578

WASHINGTON—Last week two young men entered the Great Eastern Agency, specializing in taxicab coverage, and said they would wait for a "brother" to come in and make a payment. They waited about two hours, and just before closing time pulled guns, ordered agency employees E. J. Timbs and Mrs. Catherine Goen into a closet, and made off with \$578.

Course for Agency Heads

A five-day institute for agency heads opened at Michigan State College Monday with about 40 enrolled. The course is co-sponsored by the college and Michigan Assn. of Insurance Agents.

Oscar Beling, superintendent of agency systems department of Royal-Liverpool, heads the instructional staff.

James C. Twitty, special agent of the National Board arson division at Orlando, Fla., is recovering from a major operation at a hospital there.

Market Adjusting on Company Stocks

Though the currents now influencing the prices of fire and casualty stocks are divergent, observers believe that one new development is making itself felt. Buyers are beginning to look on insurance stocks as defensive issues, to offset war favored equities such as steels, rails, oils and the like.

These buyers are interested in insurance stocks but especially in good quality but less well known ones, ones that didn't get the big appreciation in market price in 1950, particularly after the Korean action began.

Big Appreciators Down

In the past few weeks, front line stocks like Fireman's Fund and Hartford Fire, have gone off in price rather substantially. Fireman's Fund 14% and Hartford 20 points. These are stocks purchased heavily in the last six months by pension funds and similar buyers. Their prices exceeded liquidating values and the stocks were vulnerable to readjustment. St. Paul stock still is high, but that is regarded as due to the recent four for one split. The buying interest seems to be attracted to companies like American and Great American, whose stocks are still selling at 25 to 30% off liquidating value.

There has been some influence exerted on stock prices by the Nov. 23 windstorm losses, as it became apparent that these were very heavy, but this is regarded as minor. Insurance is regarded as in reasonably good shape with respect to excess profits tax.

Honor Cooper's 25 Years

W. O. Cooper, general agent of Underwriters Salvage Co. at San Francisco, was honored at a dinner by about 20 of his associates on his 25th anniversary with the company.

He started with the organization at Memphis immediately after finishing high school in 1926. Three years later he was named special agent and assistant to the manager, and in 1933 was appointed state agent in Tennessee.

He assumed charge of the Pacific department, with headquarters at San Francisco, in 1943. Since then he has established branches at Fresno, Los Angeles, Spokane, Denver, Phoenix and Portland. The cotton reconditioning plant at Fresno is the only one west of the Mississippi. A new automobile division has been established the past year.

Tenn. 5-Year Farm Rate Cut

NASHVILLE—Commissioner Allen has approved a cut in fire, windstorm, and extended coverage rates on farm property written on the five-year premium plan, representing 90 to 95% of all farm business in the state. The reduction would amount to \$30 on a 5-year premium of \$450.

A reduction also was made in dwelling rates on farms where agricultural products produced are for home consumption, or if the dwelling is not used in operation of the farm and is located 200 feet from other structures in a complete set of farm buildings, including another dwelling. This is expected to represent a total decrease of \$175,000 in annual premiums.

Seeber Houghton President

Daniel Seeber of Douglas agency, Houghton, Mich., is the new head of Houghton County Assn. of Insurance Agents. Vice-president is Toivo Wesala, Hancock; secretary, Gaston Pichette, Lake Linden, reelected for his 19th year; treasurer, E. F. Prince, Lake Linden.

National Retailers Mutual is writing the comprehensive dwelling endorsement developed by Transportation Rating Bureau, designed to broaden coverage for one-family homes occupied by owners. This coverage is now approved in Illinois, Washington and New York.

We face NEW PROBLEMS every day



When a new situation arises, when the unexpected occurs, agents and brokers have learned to depend on Pearl American. They know it is company policy to conform to today's needs rather than yesterday's precedents.

Since agents' problems are really company problems, every agent has the right to expect company teamwork, independence of thought, avoidance of technicalities, fast service, and prompt and experienced underwriters' advice.

For the additional cooperation that makes the difference between complications and commissions, more and more agents are finding that it pays to be on the team with Pearl American.

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PHILADELPHIA, 436 Walnut Street
SAN FRANCISCO, 369 Pine Street

NEW YORK, 26 Cliff Street
CINCINNATI, 1423-24 Carew Tower
CHICAGO, 175 W. Jackson Blvd.

B. P. CARTER COMPANY, INC.

MANAGERS

VIRGINIA-CAROLINA DEPARTMENT
EST. 1914

THE LONDON ASSURANCE
THE INSURANCE CO. OF THE STATE OF PENN.
THE CENTURY INSURANCE COMPANY, LTD.
THE MANHATTAN FIRE & MARINE INS. CO.
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RICHMOND 12, VIRGINIA

Give Us An Opportunity To Serve You

New Orleans Agents Take Dim View of I.E.A. E.C. Form

NEW ORLEANS—Stock agents here are taking a dim view of the additional extended coverage endorsement proposed by Insurance Executives Assn. They feel that the new all-risk dwelling endorsement put out recently by the mutual companies is better, being broader in coverage and clearer in language. In addition, the mutual endorsement is of an all-risk character whereas the proposed I.E.A. endorsement is on a named perils basis. They feel that stock companies should be able to afford a coverage more competitive with that offered by the mutual companies.

In addition to cumbersome wording, agents here are of the opinion that coverage is so small in view of the \$50 deductible which applies to all risks that insured gets very little for his premium, and the agent has really little to offer insured in asking that he buy the form in addition to the extended coverage endorsement, even at the low rate of 4 cents. Claiming it is not an easily understood contract, agents say that the endorsement in its present shape would be the worst kind of public relations.

Coverage, perils and exclusions are all thrown together, and even experienced agents after reading the form several times claim they cannot tell precisely what it covers, they contend. Exceptions and exclusions appear in eight separate places in the endorsement and these are in addition to the exclusions mentioned in the original E.C. endorsement. Another difficulty mentioned is that Louisiana forms are prepared with the idea of not having to be inserted in the typewriter, whereas on the I.E.A. endorsement the premium, policy number and company will have to be typed.

Agents here prefer the endorsement proposed by National Assn. of Insurance Agents. This form on a single page printed on one side only gives all the coverage and exclusions. Related items, it is said, are grouped together where they can be easily located and understood by an insured.

BOSTON CRITICISMS VOICED

BOSTON—The Insurance Executives Assn. additional extended coverage endorsement was highly criticized by brokers attending the all-day working meeting here of Insurance Brokers Assn. of Massachusetts. The general feeling is that while the coverage is very inexpensive it is too limited. A goodly number of the brokers opined the public would prefer to pay 10 or 15 cents and get broader coverage.

Would Change License Fees for N.C. Adjusters, Brokers

RALEIGH—Backed by companies, agents and adjusters, a measure to change the license fees charged adjusters and brokers in North Carolina has been introduced in the legislature.

The department said details of the measure had been discussed recently at a conference in its offices here. Assistant Commissioner Humphries estimated the fee changes would increase state revenues by \$14,894 a year.

The bill also would simplify paper work for adjusters, their companies and the department. At present, adjusters must secure a certificate from each company they represent and present it when applying for licenses. This practice would be continued for the original licenses but would be dropped for renewals, and adjusters would sign but one form while the companies would merely file a list of their representatives with the department.

It is not a department bill but the department is not opposed to it.

Adjusters would be lumped in one

classification instead of the present two, and all would pay a license fee of \$25. At present, independent adjusters pay \$100 and company adjusters \$3. Hail adjusters would be raised from \$3 to \$5 a year. The fee for non-resident brokers, now put at \$10, would be increased to \$25.

Set Two Texas Hearings

The Texas department has scheduled a hearing for Feb. 23 to consider adoption of revised forms, rules, rates and rating procedures for use in writing

multiple locations belonging to a single risk.

At another hearing, set for Feb. 14, adoption of a new schedule of rates, rules and rating procedures for measurement of the fire and inherent explosion hazard of petroleum properties will be considered.

Stein Colo. Springs Speaker

J. Edwin Stein, Provo, president of Utah Assn. of Insurance Agents, will be a speaker at the Rocky Mountain Territorial Conference April 13 at Colorado Springs. He is a former president of

the Provo association and has served four years on the executive committee of the Utah association.

Requires Sprinklers in Hospitals

All new hospitals in Kentucky will be required to install sprinkler systems. Hospitals that have been completed and are occupied will be required to be required to install sprinkler systems in spots such as clothes chutes.

Insurance Women of Fresno, Cal., have elected Margaret Vetter, president; Margaret Gudka, vice-president; Lynn Reese and Marguerite Dobbins, secretaries, and Edna Kurtela, treasurer.



Sound Insurance

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Great American Indemnity
American Alliance
American National
Detroit Fire & Marine
Massachusetts Fire & Marine
Rochester American

WORLD-WIDE FACILITIES FOR PRACTICALLY ALL FORMS OF INSURANCE EXCEPT LIFE

Wreck Kills Stokes, Church Fire Chief

Approximately 85 were killed and more than 300 injured seriously enough to require hospitalization in the wreck of the Pennsylvania Railroad's south Jersey shore commuting train running from Jersey City to Bay Head Junction. The speeding train hit a temporary track section, opened only a few hours before to permit New Jersey thruway construction, broke through and many of the cars went down a 35-foot embankment. New Jersey has no limit on wrongful death recoveries.

Everard C. Stokes, 67, vice-president and manager of Church Fire, who lived at Sea Girt, was killed. Mr. Stokes went with the Church Pension Fund in 1928 and organized the fire company, which specialized in writing cover on Episcopalian properties. He had been its operating head ever since it began to write business in 1929. Before 1928 he was with Royal Exchange at New York and earlier had been with that company in South Africa. He was born in Scotland.

Company offices in the Newark area usually close at hours which enable their personnel to depart for home on

trains earlier than the fatal 5:12.

Minor injuries were suffered by two employees of Loyalty group, but the company considered itself lucky in that it sometimes has more than a dozen of its staff on the shore train. Some of these were working overtime because of the November windstorm and so escaped death or injury.

John C. Cosgrove of American was on the last car of the train, one which did not go down the embankment. He escaped injury. John Wilson of American's statistical department and Joseph Becker, superintendent of its payroll audit department, were hospitalized. There were few of American's personnel on the train, so far as was known early Wednesday. Most of the group's people that took trains on this line catch an earlier one. The loss department was working late, as it has been for weeks, on the Nov. 25 windstorm claims, and there may have been a few of them on the train though apparently none were injured.

It is understood that the Pennsylvania railroad has \$1 million of catastrophe liability coverage in London Lloyds on an excess basis. It carries no physical damage insurance that would apply in this disaster.

Urges Inland Marine Form Limit Shippers' Recovery To Declared Valuation

NEW YORK—It was never the intention of the original inland marine policy to give insured shipper a "free ride", although that is actually what is happening today, Herman B. Zipser, New York attorney, told members of Inland Marine Claims Assn.

By reason of its inland marine coverage, the average firm now ships at minimum rates, he explained. The tremendous savings insured thus realizes is matched only by the tremendous losses which are passing over the claims man's and attorney's desks.

Recommends Clause

Is it not time that a clause be inserted in the policy prohibiting insured from depriving insurers of their right of salvage and subrogation by limitation of liability shipments made solely because of coverage? Mr. Zipser asked. Were insured not covered, their shipping charges at higher valuations would be much greater and companies' losses much less, he said. Conversely, the possible loss of premium income would be more than matched by coverage secured by those accepting shipments at higher rates. Recoveries by insurers would be greater.

At present by shipping at minimum rates, he said, insured's premium is more than saved by low shipping charges. In fact, insured are profiting substantially who do business in this fashion, while litigations grow more involved with minimum recoveries on limited liability shipments, the law concerning which is still very unclear.

"Why not insert a condition in inland marine forms stipulating that in the event of loss insured under a limitation of liability receipt, amounts recoverable shall be limited to declared value by assured at the time of shipment?" This would limit insured's claim to the amount recoverable by virtue of the limitation of liability receipt. This may seem novel, he said, but is entirely consistent with the trend of judicial decisions.

Tyographical Error in Description Waved Aside

Pennsylvania supreme court has held that Commonwealth Mutual Fire of Pennsylvania was not justified in denying liability for a fire loss on the ground that the building in which the property was contained was located not on Survey No. 1062 as stated in the policy, but on Survey No. 1032. The case was Presson vs. Commonwealth Mutual Fire, 28 CCH (Fire & Casualty) 365.

The policy recited the insured property as being in a building "occupied as a club situated E/S of U. S. highway 61 on part of U. S. Private Survey No. 1062 twp. 24 range 14, New Madrid county, 1 mile south of Sikeston, state of Missouri."

The described location of the building was given the insurer by a New York brokerage agency which had received it from an agent at Sikeston, Mo. The insured himself did not furnish his agent with the description used in the policy and testified that Survey No. 1062 or 1032 meant nothing to him whatsoever.

The trial judge submitted the case to the jury with instructions that if it were found that there was no intent on the part of the insured to give a false description of the location of the property, the jury could conclude that the property was properly covered.

The Pennsylvania supreme court said the only mistake the trial judge made was in submitting the case to the jury. Binding instructions for the insured should have been given. There was not a word of evidence to support a finding that the No. 1062 instead of 1032 in respect of the U. S. survey was anything other than a typographical error or at worst, an innocent mistake. The question involved was, therefore, one of law for the court.

The survey number amounted to no

more in the circumstances than inconsequential surplusage, the higher court said. The pertinent legal criterion is whether there is sufficient description exclusive of the erroneous reference to identify the building containing the property intended to be insured. If there is, then the error is an immaterial variance with no effect whatsoever upon the validity of the policy.

Warburton Named Pacific Fire Manager of Atlantic

Gilbert A. Warburton, formerly southern California manager of Cravens, Dargan & Co., has joined Atlantic Mutual as fire manager of the Pacific division. He succeeds W. Brewster Davison, who recently was promoted to southern California manager of Atlantic.

Mr. Warburton started with Royal at New York and in 1932 went with Swett & Crawford at San Francisco.

N.A.I.C. A.&H. Group to Meet

The A. & H. study subcommittee of the A. & H. committee of N.A.I.C. will meet March 1-2 at the N.A.I.C. headquarters at Chicago. This is the group that was set up at the meeting in December of N.A.I.C. at Los Angeles and consists of representatives from Michigan, California, Minnesota, New Jersey and New York and three industry representatives, C. O. Pauley, H. & A. Underwriters Conference; T. P. Schwarz, Standard Accident, representing Bureau of A. & H. Underwriters, and M. A. Ellis, Metropolitan Life, representing the independents.

Zone 4 Raters to Meet

The meeting of Zone 4 commissioners at Des Moines March 29-30 will be preceded by two meetings of the zone department men. On Feb. 26-28, the rating units from the zone 4 group covering casualty, automobile, fire, inland marine, life and A. & H. will meet at Chicago in the offices of National Assn. of Insurance Commissioners, and the examiners of Zone 4 will meet at Des Moines, March 28-30.

Ralph J. Strasen, with Western Adjustment at Brainerd, Minn., has been appointed captain in charge of plans and training of the Minnesota state guard. His father, Gerald A. Strasen, is Wisconsin state agent of American.

In the Feb. 1 issue, it was erroneously stated that Mrs. Joseph W. Mundus, wife of a former president of Michigan Assn. of Insurance Agents, was elected secretary of the Ann Arbor, Mich., Republican committee. This should have read Mrs. William J. Mundus.

A 10% increase in insurance carried on city school buildings was voted by the school board of Shawnee, Okla., raising the total coverage for buildings and contents to \$1,729,860.

George Dietrich, local agent at Rochester, N. Y., was honored with a luncheon given by members of the agency on his 85th birthday.

H. P. Meadows, local agent at Beckley, has been appointed head of the insurance committee of the West Virginia legislature.

Elmer Shepperd, Ballinger, Tex., has completed 40 years as a local agent. He established his agency in 1911, in the horse and buggy days. In 1939 he sold an interest in the agency to John Purifoy.

A bill introduced in the Nevada legislature would allow fire companies to write casualty business and casualty companies to reciprocate.

Bankers & Merchants Mutual of Fremont, Mich., has changed its name to Michigan Bankers & Merchants Mutual Fire.

Insurance Women of Seattle will stage a luncheon and style show Feb. 24.

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Aetna Elects Latham, Geer, Arnold V.P.s; Advances 7 Others

Aetna Fire has elected three new vice-presidents and six secretaries and appointed an assistant manager at Chicago.

Henry P. Latham, secretary of Aetna and its fire subsidiaries, and E. Selden Geer and Winslow H. Arnold, secretaries of Century, Aetna's casualty subsidiary, were elected vice-presidents of all companies.

Frank W. Stickels, assistant secretary of all companies; Frank A. Aiken and Lester C. Layman, assistant secretaries of Aetna and fire subsidiaries; Victor H. MacDonald, George T. Holbrook, and Richard K. McWilliams, assistant secretaries of Century, were elected secretaries of all companies.

J. George Peterson, general agent in the western department, was named assistant manager at Chicago.

In addition, all officers of Aetna and its fire subsidiaries were elected to corresponding positions in Century, and all Century officials were named to similar posts in the fire companies.

Mr. Latham joined Aetna in 1925 as assistant examiner in the home office. He has served as secretary since 1947.

Mr. Geer has been head of the compensation and public liability insurance department since joining Century in 1926 following many years of insurance experience with other companies. He has been secretary since 1946.

Mr. Stickels, with Aetna since 1918, has been assistant secretary of all companies since 1947. Mr. Aiken joined Aetna in 1938, left for a time, rejoined it in 1945, and was named assistant secretary in 1947.

Mr. Layman, with Aetna since 1937, has been assistant secretary since 1948. Mr. MacDonald joined the Canadian department in 1925, and has been assistant secretary since 1946.

Mr. Holbrook joined Century in 1928 as attorney in the bond claim division. He became assistant secretary in 1946. Mr. McWilliams joined Century in 1936, became manager of Hartford claim division in 1941 and assistant secretary in 1949. Mr. Peterson joined Aetna as a map clerk in 1925.

Illinois Licenses Exchange

The Illinois department has granted a certificate of authority to Farmers Se-

curity Exchange, inter-insurance exchange with home office at Elgin. President of the organization, which will write all automobile lines, is Howard C. Bates. A Chicago office has been established at A-1107 Insurance Exchange building. Mr. Bates has been in insurance at Chicago for 45 years.

Name Civil Defense Chief

The two Hartfords have named a director of first aid and civil defense operations. He is Charles T. Van Vliet of the engineering staff. With the company 24 years, he has had many years' ex-

perience in safety work. He will organize first-aids teams, hold drills, and make general disaster preparations.

Mass. Takes Up Problem Of Independent Filings

Officials of the Massachusetts department and New England Fire Insurance Rating Assn. conferred this week in Boston on the problem of independent filings.

The business appears to be looking for a way to handle these in orderly manner. Possibly the rating associa-

tion would amend its by-laws to enable it to serve as the agent of any member or subscriber company or reciprocal in making filings of new forms or rating plans with the various departments.

The North Dakota house has passed a bill authorizing recovery from the state unsatisfied judgment fund for injuries suffered in motor vehicle accidents when persons responsible are not identified.

Charles A. Gibson, local agent at New Philadelphia, O., has taken his brother, Richard G. Gibson, into the agency.



STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago
Feb. 6, 1951

	Div.	Bid	Asked
Aetna Casualty	3.00*	105	107
Aetna Fire	2.25*	57	58 1/2
Aetna Life	2.50*	67	68 1/2
American Alliance	1.50*	26	27 1/2
American Auto	2.00	40	42 1/2
Am. Equitable	1.25	24 1/2	25 1/2
American (N. J.)	.90	21	22 1/2
American Surety	3.00	56	58
Boston	2.65*	57	59
Camden Fire	1.15*	21	23
Continental Casualty	2.50*	67	68 1/2
Fire Association	2.60	61	63
Fireman's Fund	1.60	51	53
Firemen's (N. J.)	.70	22	23
Glens Falls	2.30*	53	55
Globe & Republic	.80	12	13
Great American Fire	1.50*	32	33 1/2
Hanover Fire	1.60	33	34 1/2
Hartford Fire	3.00*	129	131
Home (N. Y.)	.80	34 1/2	35 1/2
Ins. Co. of North Am.	5.50*	126	128
Maryland Casualty	.80	19 1/2	20 1/2
Mass. Bonding	1.60	27 1/2	28 1/2
National Casualty	1.50*	33	35
National Fire	2.50*	60	62
National Union	1.60	34 1/2	36
New Amsterdam Cas.	1.50	34	36
New Hampshire	2.20	41 1/2	43
North River	1.20	26 1/2	27 1/2
Ohio Casualty	.80	32	34
Phoenix, Conn.	3.00*	79	81
Preferred Accident	.3 1/4	3 1/4	3 3/4
Prov. Wash.	1.50*	29 1/2	30 1/2
St. Paul F. & M.	3.00	129	133
Security, Conn.	1.60	33 1/2	34 1/2
Springfield F. & M.	2.00	43	45
Standard Accident	1.60	34 1/2	36
Travelers	14.00*	525	532
U. S. F. & G.	4.00	47	49
U. S. Fire	2.40	67	69

*Includes extras.

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Eyes Application of Res Ipsa to Aviation Cases

WASHINGTON—In spite of an excellent safety record since the second war in face of unprecedented expansion, about 200 persons lose their lives each year in accidents of air common carriers, Robert A. McLarty, assistant director of the claims department of U. S. Aviation Underwriters, said in an address here.

Many aircraft accidents involve a crash with no survivors or eye witnesses, and a common question asked by lawyers is: Does res ipsa loquitur, the thing speaks for itself, apply?

Misconceptions on Airline Claims

There are several misconceptions lawyers sometimes have in dealing with airline passenger claims. These are, Mr. McLarty said: An airline is the insurer of the safety of its passengers; when an airplane crashes with no survivors or eye witnesses the cause is a mystery and no investigation of the facts is necessary; res ipsa applies to all airline passenger cases; an airline passenger may allege specific negligence and also use res ipsa to establish negligence; res ipsa will get the case to the jury which will certainly return a verdict for the passenger.

Some courts have said that res ipsa should not apply to an aviation passenger case as a matter of law prior to trial. The one contrary opinion by a trial court is subject to serious ques-

tion. Others have submitted the question of application to the jury after instructing it (after a fashion) on the rules for applying the doctrine (the juries almost always finding for the defendant). Still other trial courts have concluded after hearing all the evidence that the doctrine did not apply. The appellate courts have also shared this sentiment that res ipsa does not apply to airline passenger cases.

What Review of Cases Shows

A review of the aviation passenger cases reveals that in most cases the plaintiff has alleged some negligent act of the defendant in the operation of the airplane. Many plaintiffs made no effort to invoke res ipsa and others simply used the doctrine to bolster their case, either in the trial or appellate court. So it can hardly be said that every airline passenger will be unable to establish a case without the benefit of the doctrine.

This is particularly true today when better communications and investigative techniques produce more facts about how the accident happened, and this information is available to the plaintiff both through the CAB report and the liberal discovery rules. However, in some airline cases plaintiff is unable to allege, much less prove, specific negligence, and he may be entitled to the doctrine. Therefore, the doctrine should be applied to some, but not all, airline passenger cases.

In the early cases the court considered the evidence of the plaintiff to see if he had either proved the defendant's negligence or had established a basis for applying res ipsa. Subsequently, the lawyers raised this question

by a demurrer to the plaintiff's complaint prior to trial. Also, the courts began to pass the buck to the jury to decide whether the doctrine should apply, and too often the judge's explanation of the doctrine indicated that he did not fully grasp its limitations and implications himself, and certainly did not explain the doctrine so laymen could understand it. So, it is little wonder that the juries returned all kinds of verdicts and the confusion became confounded.

Would Help Trial Court

There is much judicial opinion to the effect that res ipsa is not applicable to an aviation passenger case as a matter of law, many of these decisions being written when aviation was in its infancy, but Mr. McLarty suggests that it would be better to consider the application of the doctrine in the light of the facts of the particular accident. When the rules limiting the application of the doctrine are applied to the evidence produced by the plaintiff to establish (by a preponderance of the evidence) that the doctrine should apply, then the trial court should be in a better position to say whether the doctrine should apply.

Where it is clear that the plaintiff has not proved the facts warranting the doctrine, then the court should so hold and direct a verdict for the defendant. However, if the evidence of the plaintiff furnishes some proof, although doubtful, that the facts warranting the doctrine are present, then these questions should be left for the jury to answer in deciding whether res ipsa should apply and raise an inference of negligence against the defendant as a preliminary matter prior to considering the question of the defendant's negligence.

The plaintiff seeking the benefits of the doctrine must justify its application to his case, and whether the doctrine is applicable to any given case must ultimately depend on the facts of that particular accident.

Canada's 1950 Fire Losses Believed Highest on Record

TORONTO—Although official figures will not be available for several months, preliminary reports indicate that 1950 was unquestionably the worst year on record for fire losses in Canada.

The total loss is expected to be substantially above \$100 million, with an insurance loss of around \$68 million. Net fire premiums written are expected to be around \$128 million, an increase of close to \$13 million, with losses up 25% or more. On an earned basis, a ratio of around 56% is anticipated.

Largely responsible for this adverse

showing were the fires at Rimouski and Cabano, Que., last May—where combined property losses approximated \$30 million.

Preliminary reports also indicate that 1950 was less favorable for automobile insurance. Net premiums written are estimated at \$93 million, compared with close to \$79 million in 1949. Losses are believed to have risen from \$41 million to \$51 million, indicating an overall loss ratio of around 55%.

Casualty net premiums probably will reach \$107 million against about \$88 million in 1949, with a loss ratio of around 46%.

Undergraduates Put Out Book on Business Careers

"Career" a book outlining some of the needs and opportunities in several business fields, including insurance, has been published by undergraduates at Yale. A group led by Paul Bancroft, III and William A. Douglas, officers of the Yale Daily News, were impressed by the problem college youths have in deciding what business to enter after graduation.

They describe the inspiration for the book as "befuddled young men, exasperated placement officers, dissatisfied interviewers." Students one day register an interest in a branch of business or industry and the next day start exploring a completely different field. Also, many companies apparently shun college graduates in favor of older men.

The idea of the book is to have several concerns prominent in a field with prepared material on the business according to Career ideas and pay for the presentation. This was the way the book was financed. Initial circulation was about 25,000, some going to college placement bureaus.

The insurance section has presentations by Home, Royal-Liverpool, and Allstate for fire and casualty, and Connecticut General Life and Equitable Society for the life insurers. The presentations provide some information on the company itself but is aimed largely at showing the opportunities in a typical company in the field of the college graduate. Royal-Liverpool breaks down its presentation into the need for special agents and what the company looks for in the way of requirements academic, personal, etc.; safety engineers, accountants and statisticians, underwriters, claims and loss men.

Stults to Address N. J. Group

C. Stanley Stults of the Allen & Stults Agency at Hightstown, past president New Jersey Assn. of Insurance Agents, will speak at the Feb. 15 luncheon of Casualty Underwriters Assn. of New Jersey in Newark.



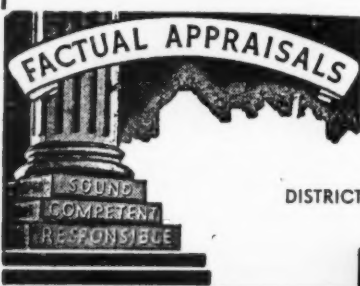
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Charges Chiseling in Ind. On Third Party Claims

The Indiana department has asked the legislature for broader powers to revoke or suspend licenses of companies, following a report made to the senate showing that some casualty companies are "chiseling" motorists who seek to recover property damage under a third-party claim.

The investigating body over a period of two years studied 200,000 claims. It reported that although most companies operate efficient claim departments, at least six have been ducking third party claims.

The group also has asked prohibition of the practice of compensating agents on a "loss ratio" basis because it "encourages few awards".

Opens K. C. Claim Office

Great American has opened an automobile claim office at Kansas City, with Raymond C. Crews, Jr., as manager. All fire and inland marine loss notices will still be processed at Chicago.

New Am. Bankers Officers

American Bankers of Florida has elected Harold L. Buck, vice-president; Philip Stoller, vice-president and comptroller; William J. Kappler, assistant secretary and underwriting department manager, and B. Paul Harvey, assistant secretary and claim department manager.

Gulf Promotes Five

V. W. Hagemann, W. H. Mansfield and V. B. Hooks, Jr., who have been secretaries of Gulf of Dallas, have been promoted to assistant vice-presidents. C. B. Mansfield has been transferred to the fire underwriting department as assistant secretary. He has been assistant treasurer. Robert P. Knight has been named assistant treasurer.

Elected G.A.B. Directors

Gilbert Kingman, U. S. manager of London & Lancashire, and John A. North, president Phoenix-Connecticut, have been elected directors of General Adjustment Bureau.

To Build New Home Office

Transport Indemnity of Los Angeles has purchased a site on which to erect a new home office building. The land and structure, when the latter is completed, will represent an expenditure of \$2 million.

Wortham's Home Burns

The newly-remodeled \$350,000 home at Houston of Gus. S. Wortham, president of American General, was wrecked by an explosion and fire.

Open New Home Office Soon

Remodeling of the building at Traverse City which Michigan Mutual Auto purchased last October for use as a home office is expected to be completed by April 1 and the company expects to have many of its Michigan agents there at that time for a two-day celebration.

Boost Flint Hospital Cover

FLINT, MICH. — The board of Hurley hospital here has cancelled existing fire policies on hospital properties and substituted a new policy under which the total coverage is increased by about 12% to \$3,100,000. The new policy is for a three-year term.

Opens Bay City Branch

Michigan Mutual Auto has opened a branch service office at Bay City. It will be supervised by Robert F. Wintermute, who has been with Wolverine for five years.

Roy O. Elmore, resident manager at Los Angeles of Hartford Fire, spoke

before the El Monte, Cal., Kiwanis Club, on "Your Friendly Protector, Fire Insurance."

1906 San Francisco Fire Case Finally Adjudicated

WASHINGTON—The U. S. Court of Claims has sustained the opposition of the Department of Justice to the claim of Edward F. Braunschweiler based on two buildings in San Francisco which were destroyed by fire after the earthquake in 1906, and dismissed his petition.

The buildings were insured by Rhine & Moselle, a German insurer, which Braunschweiler said defaulted on payment of losses. He said this government seized German assets in the first war, but released them without paying his claim, and that German assets were also seized in the second war and are still held—from which his claim should be paid.

The government demurred on the ground that the Court of Claims had no jurisdiction; that the petition failed to state a cause of action, and that the alleged cause of action accrued over six years before institution of the suit.

The court said it has no jurisdiction under the trading with the enemy act.

In giving its consent to be sued in the Court of Claims, that tribunal said, the law barred claims not filed within six years after they first accrue. For these reasons the court dismissed the case.

Accounting Group to Meet

The uniform accounting subcommittee of N.A.I.C. will meet April 2 at the Commodore hotel, New York. On the agenda are general expenses, reinsurance commission (covering proposal by the New York department and a counterproposal by the industry uniform accounting committee), and insurance expenses covering employee relations, welfare, other expenses and insurance expenses.

Ladd Joins Continental

LOS ANGELES — Don M. Ladd, well known in the surety field in southern California, has been appointed head of the fidelity and surety department at Los Angeles office of Continental Casualty and has already assumed his new duties.

His return to company ranks in the fidelity and surety field is heartily welcomed. He has been in the insurance

business for years, first in the producing end, then several years with National Surety, then for 20 years with Fidelity & Deposit, resigning in 1947 as manager of the Los Angeles office to go with the Bonner-Campbell Co., agents and brokers. He resigned from that connection to accept his new post.

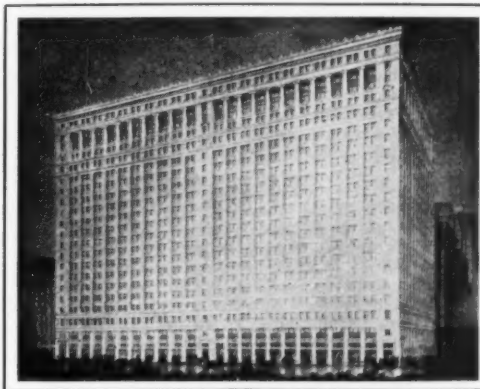
Elmore Los Angeles Speaker

LOS ANGELES—Roy O. Elmore, resident manager of Hartford Fire, addressed Southern California Fire Underwriters Assn. on stock, mutual and reciprocal insurers, pointing out wherein the stock insurers offer more to their policyholders with less risk, citing several court decisions to drive home his point.

Joseph Fennell, state agent for the Fennell & Fennell general agency at Royal Oak, Mich., has installed a telephone in his car and now may be called by the local agents at any time and in any location.

Insurance Women of Denver will hold their annual Bosses' Banquet Feb. 19. C. W. Schoelzel, Van Schaack & Co., Denver, will be master of ceremonies.

James F. McMillan, local agent at Cocoa, Fla., is in critical condition at a hospital there following a heart attack.



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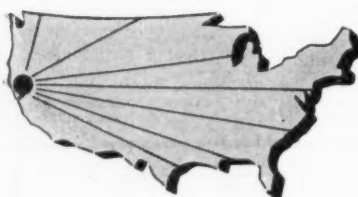
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NEWS OF THE COMPANIES

Seinsheimer, Jr. Is New President of American Indemnity

J. Fellman Seinsheimer, Jr., has been elected president of American Indemnity of Galveston to succeed his father, the late J. F. Seinsheimer, Sr., who died two weeks ago. Mr. Seinsheimer, Jr., was also elected president of the affiliated American Fire of Texas, Indemnity Ins. Co. and Texas General Indemnity, and also of the allied private corporations, American Finance Co. of Galveston and U. S. Securities Corp.

After graduating from the Tulane university business school, Mr. Seinsheimer was with the Seinsheimer agency of Galveston for six years.

In 1941 he joined American Indemnity and was in the various departments until 1948 when he was elected a vice-president.

Kansas City F. & M. Shows Marked Increases for 1950

Kansas City F. & M. had marked increases in all items of its 1950 operations except in net earnings, which were a shade smaller than in 1949. The development expense in setting up the new casualty division, together with abnormal fire and windstorm losses, had the effect of reducing earnings by \$5,861. Net earnings were \$202,937, equal to \$2.03 a share, compared with \$197,076, or \$1.97, in 1949.

Unearned premium reserve increased \$674,420, or 36.8%, as against a gain of \$793,372 in the previous year. Total premiums written increased 17.9% to \$7,712,563, as compared with \$6,539,874 in 1949. Assets were \$6,789,855 against \$5,440,696, a gain of 24.8%.

Policyholders' surplus was \$2,671,162, as compared with \$2,361,185 in 1949. The percentage of losses incurred to premiums earned was 49.1%, as against 48.3%.

Superior to Hike Capital

Stockholders of Superior of Dallas at the annual meeting voted to increase capital from \$500,000 to \$750,000 and to pay a stock dividend of \$150,000.

Premium income of Superior in 1950 was \$4,577,385, an increase of \$323,892 over 1949. Total assets at the year end were \$4,518,880, up \$489,228. Policyholders surplus was \$1,392,575, a gain of \$211,849.

Gulf Has Good Year

Gulf of Texas in 1950 had one of its best years, according to President T. R. Mansfield. Assets are now \$19,263,686, up 16.8%, and surplus to policyholders is \$5,756,110, up 17.2%.

Unearned premium reserve is \$11,213,880, an increase of 15.3%. Net premium writings in 1950 were \$11,059,611, an increase of 11.5%.

Stockholders at the annual meeting voted to issue 6,000 new shares of \$10 par value stock to be sold at \$40, thus adding \$60,000 to capital and \$180,000 to surplus.

Amer. Bankers Shows Profit

Written premiums of American Bankers of Florida in 1950 were \$2,282,145, resulting in a profit of \$56,975 before federal tax of \$5,203. Assets at Dec. 31 were \$2,335,794. Surplus to policyholders was \$545,639.

Republic Hits New Highs

All time highs in assets and premiums written were reached in 1950 by Republic of Texas. Assets rose to \$21,098,474, up \$4,561,476. Premiums were \$11,193,563, an increase of \$2,136,445. Surplus to policyholders, including con-

tingency reserve, rose to \$8,463,477, a gain of \$2,560,470. The combined loss and expense ratio was 87.9%.

A 10% common stock dividend has been approved for stock of record Feb. 10, in addition to the regular 3% quarterly dividend on common stock and a 1% quarterly dividend on preferred stock.

COMPANY REPORTS

Surplus in the following company reports refers to surplus to policy holders.

American Drugists Fire, Ohio—Assets, \$3,116,661, incr., \$156,382. Loss res., \$31,327. Unearned prem., \$365,728. Capital, \$750,000. Surplus, \$31,723.

American Fidelity—Assets, \$3,820,392, incr., \$299,424. Loss res., \$918,983. Unearned prem., \$1,039,512. Capital, \$1,000,000. Surplus, \$504,594, decr., \$31,723.

American Mutual Reins.—Assets, \$2,437,536, incr., \$191,870. Loss res., \$87,482. Unearned prem., \$426,972. Guaranty fund, \$1,125,000. Surplus, \$1,350,000, decr., \$50,000.

Automobile Club of So. Cal.—Assets, \$22,091,727, incr., \$2,034,341. Loss res., \$969,082. Unearned prem., \$6,650,524. Surplus, \$13,166,572, incr., \$988,260.

Celina Mut. Cas.—Assets, \$4,654,972, incr., \$442,024. Loss res., \$1,004,003. Unearned prem., \$1,526,874. Surplus, \$1,613,719, incr., \$305,820.

Central Manufacturers Mutual—Assets, \$24,955,244, incr., \$3,029,921. Loss res., \$1,259,862. Unearned prem., \$13,528,600. Surplus, \$7,936,042, incr., \$1,099,842.

Com'l Travelers Mut. Acc., N. Y.—Assets, \$8,426,743, incr., \$406,931. Loss res., \$1,568,385. Unearned prem., \$1,391,904. Surplus, \$5,154,284, incr., \$131,160.

Export—Assets, \$1,853,014, incr., \$301,324. Loss res., \$49,312. Unearned prem., \$123,699. Capital, \$500,000. Surplus, \$1,374,289, incr., \$156,622.

Farmers Mutual, Neb.—Assets, \$2,744,941, incr., \$207,075. Loss res., \$13,421. Unearned prem., \$819,138. Surplus, \$1,790,956, incr., \$109,808.

Fire—Assets, \$5,705,739, incr., \$1,754,509. Ext. coverage, \$1,244,260. Loss res., \$1,173,575. Tornado, wind, hail (ex. crops), 14,918. 68.

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Losses	Incurred
27	384,209
15	83,865
48	\$ 809,647
38	41,356
Assets, \$11,100,000	
Res., \$117,088	
Plus, \$3,663	
91	\$1,513,434
29	614,492
88	46,141
95	4,844
23	68
23	—5,859
75	\$2,829
85	257,520
10	50,194
91	\$2,564,164
15	\$1,139,625
15	Unearned
1, incr. \$91,100	
81	\$ 93,581
30	283,542
24	17,236
56	\$ 394,361
9, \$3,608,734	
59	Unearned
22,586	decr.,
16	\$4,309,900
16	\$4,309,900
Assets, \$7,000,000	
Res., \$304,156	
Plus, \$4,026	
75	\$ 653,850
1	127,840
4	12,481
0	3,412
2	2
5	802
0	65,218
1	\$ 863,608
7	\$ 863,608
III—Assets, \$223,764	
us, \$883,060	
5	\$ 114,159
1	\$ 89,407
8	289,517
4	\$ 493,083
8, \$8,799,142	
27,269	Un-
8,814,074	der-
5	\$ 769,464
0	189,535
0	48,073
3	7,408
9	33
0	29,272
0	161,052
9	101,674
1	\$1,306,512
5,466	incr.
Additional	
A., \$2,973	
3, Capital,	
r., \$658,487	
5	\$ 15,505
65,117	
28,931	
4,439,943	
216,636	
\$4,766,134	
607	incr.
Unearned	
0,000	Sur-
\$1,371,272	
1,662,324	
3,584,829	
251,329	
116,731	
302,154	
125,413	
790	
14,133	
5,184	
5,976	
17,494	
29,812	
\$7,487,442	
\$182,247	
Unearned	
Surplus,	
\$ 1,450	
77	
23	
596	
\$ 2,147	
\$1,886,972	
Unearned	
Surplus,	
\$ 202,250	
72,039	
4,791	
502	
292	
Cr. 2,553	
\$ 277,321	

Southwestern Fire & Cas., Dallas—Assets, \$2,394,865, incr., \$547,079. Loss res., \$93,276. Unearned prem., \$903,588. Capital, \$500,000. Surplus, \$1,347,266, decr., \$142,374.	
Premiums	Losses
Earned	Incurred
Fire	\$ 206,703
Ext. coverage	103,398
Torn., wind., hail (ex. crops)	615
Sprinkler & water damage	233
Expl. riot, civil comm.	1,229
Earthquake	525
Inland marine	19,305
Auto liability	60,666
Auto prop. damage	44,483
Auto phys. damage	325,204
Totals	\$ 762,061

Western Mutual, Ia.—Assets, \$4,186,948, incr., \$558,664. Loss res., \$415,283. Unearned prem., \$2,038,666. Surplus, \$1,418,299, incr., \$446,080.	
Premiums	Losses
Earned	Incurred
Fire	\$ 687,027
Ext. coverage	268,311
Torn., wind., hail (ex. crops)	38,897
Auto liability	551,527
Auto prop. damage	419,265
Auto phys. damage	736,837
Prop. dam. other than auto	965
Liability (not auto)	1,832
Glass	13,177
Cargo	41,378
Cas. reins. written	2,869
Totals	\$2,762,086

Texas Indemnity—Assets, \$1,228,015, decr., \$26,634. Loss Res., \$271,046. Unearned prem., \$33,509. Capital, \$300,000. Surplus, \$646,639, incr., \$136,529.	
Premiums	Losses
Earned	Incurred
Fire	\$ 3,030
Ext. coverage	730
Torn., wind., hail (ex. crops)	17
Expl. riot, civil comm.	1
Inland marine	65,953
Workmen's comp.	831,383
Liability (not auto)	87,005
Auto liability	793,039
Auto prop. damage	557,700
Auto phys. damage	784,777
Prop. dam. other than auto	53,414
Fidelity	460
Surety	14,244
Glass	51
Burglary & theft	493
Totals	\$3,192,297

Tri-State, Okla.—Assets, \$3,554,276, decr., \$5,439. Loss Res., \$1,013,045. Unearned prem., \$1,166,895. Capital, \$500,000. Surplus, \$1,009,765, incr., \$117,800.	
Premiums	Losses
Earned	Incurred
Fire	\$ 3,030
Ext. coverage	730
Torn., wind., hail (ex. crops)	17
Expl. riot, civil comm.	1
Inland marine	65,953
Workmen's comp.	831,383
Liability (not auto)	87,005
Auto liability	793,039
Auto prop. damage	557,700
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Subject: DEDUCTIBLES

They are the answer in some cases; in others "The defensive cure is worse than the competitive disease!"

How will agents, companies and policyholders suffer from Fire and Windstorm deductibles?

To find out, send for a free copy of "The Hartford Agent" article.



HARTFORD FIRE INSURANCE COMPANY
HARTFORD ACCIDENT AND INDEMNITY COMPANY
 Hartford 15, Connecticut



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DO/MORE custom-fitted chairs

Bennett N.A.I.A. Secretary Pending Permanent Choice

Walter H. Bennett, general counsel of National Assn. of Insurance Agents, has agreed to act as secretary of the organization for the short period of time until the position can be filled permanently, it has been announced from N.A.I.A. headquarters by President Melvin J. Miller and vice-president J. E. Van Vechten.

The officers, in thanking Mr. Bennett for taking on this responsibility, said a permanent successor to John F. Neville, who was recalled to active duty with the army, will be selected as soon as possible.

Ethier Named State Agent

Arthur C. Ethier has been named state agent by North British, supervising the eastern Michigan Territory which was under the late Clarence A. Dafoe. He will continue headquarters at the Michigan department, 2188 National Bank building, Detroit.

Metzner Examiners' Speaker

Assn. of Fire Insurance Examiners of Chicago, will hold a dinner meeting at which C. H. Metzner, assistant manager of Western Underwriters Assn. will speak on "New and Contemplated Changes in Forms."

F.U.A.P. Schedules Wylie

The nominating committee has prepared its report for the 75th annual meeting of Fire Underwriters Assn. of the Pacific at San Francisco on March 7-8. John M. Wylie, manager for Springfield F. & M., is slated for president. John E. Clark, assistant manager, American of Newark, is scheduled as vice-president.

\$2 Million Houston Fire

A \$2 million fire in downtown Houston last week destroyed or heavily damaged nine buildings on the city's main street, not far from many of its sky-scrapers. The fire battled by some 350 firemen, raged out of control for nearly four hours.

Start Pittsburgh Library

The library committee of the Insurance Club of Pittsburgh is purchasing the nucleus for an insurance library. Chairman of the library committee is James P. McMahon, Fidelity & Casualty.

Following the death of David E. Evans, president of D. E. Evans & Son agency at Cleveland, Leonard E. Evans, vice-president, and Charles Thie, secretary, will assume the management of the agency, with the aid of Glenn E. Winney, who has been named treasurer. The office of president will not be filled for the time being.

Austin T. Flett, Chicago broker, will speak at a luncheon meeting of the Milwaukee Board of Underwriters Feb. 13 on "Meeting Mutual Competition."

Rufus A. Putnam, Minneapolis school superintendent, spoke at a luncheon meeting of Insurance Club of Minneapolis. The program was sponsored by Thomas G. Linnell, Inc., general agents.

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YOU CAN service your clients having foreign property or interests — can give them the **soundest, strongest insurance protection in the world, on risks abroad of nearly every kind.**

By operating through the American Foreign Insurance Association, with its highly skilled, world-girdling technical staff, you will be giving your clients protection that is quickly and efficiently arranged, soundly backed, and superbly serviced.

There's rich opportunity for you in the foreign field—through the American Foreign Insurance Association.

FIRE and MARINE COMPANIES

- AETNA INSURANCE COMPANY Established 1819
- THE AMERICAN INSURANCE COMPANY Established 1846
- BOSTON INSURANCE COMPANY Established 1873
- CONTINENTAL INSURANCE COMPANY Established 1853
- FIDELITY-PHENIX FIRE INS. CO. OF N.Y. Established 1853
- FIRE ASSOCIATION OF PHILADELPHIA Established 1817
- FIREMAN'S FUND INSURANCE CO. Established 1863
- GLENS FALLS INSURANCE CO. Established 1849
- GREAT AMERICAN INSURANCE CO. Established 1872
- HARTFORD FIRE INSURANCE CO. Established 1810
- THE HOME INSURANCE CO. Established 1853
- THE PHOENIX INSURANCE CO. (CONN.) Established 1854
- ST. PAUL FIRE AND MARINE INS. CO. Established 1853
- SPRINGFIELD FIRE AND MARINE INS. CO. Established 1849
- UNITED STATES FIRE INSURANCE CO. Established 1824
- WESTCHESTER FIRE INSURANCE CO. Established 1837

CASUALTY COMPANIES

- BANKERS INDEMNITY INS. CO. Established 1925
- THE CENTURY INDEMNITY CO. Established 1925
- THE FIDELITY & CASUALTY CO. OF N.Y. Established 1875
- FIREMAN'S FUND INDEMNITY CO. Established 1930
- GLENS FALLS INDEMNITY CO. Established 1927
- GREAT AMERICAN INDEMNITY CO. Established 1926
- HARTFORD ACCIDENT & INDEMNITY CO. Established 1913
- THE HOME INDEMNITY CO. Established 1930
- NEW ENGLAND INSURANCE CO. Established 1939
- ST. PAUL-MERCURY INDEMNITY CO. Established 1926

Place your foreign risks through any of these outstanding Member Companies of **AFIA**



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SERVING THE WORLD-WIDE OPERATIONS OF ITS MEMBER COMPANIES, AND THEIR ASSURED

Open La. Term Rate To Most Classes

(CONTINUED FROM PAGE 1)

are based only on the aforesaid principles of term insurance and, therefore, should be available to all types of risks and that any plan of term insurance not following the above principle is discriminatory and should not be acceptable."

Tendency Toward Liberalization

For many years, there has been a pronounced tendency toward liberalizing the classes of property eligible for term rating, but so far no state has gone as far as Louisiana. While there is some variation from region to region and, to a lesser extent, from state to state within regions, but in general mercantile stocks, manufacturing raw stock and stock in process, and contents of public warehouses have been univer-

sally ineligible for term rating, if in unsprinklered buildings. For practical purposes, these have been the most important lines on which insurance could be written for not longer than one year, although each jurisdiction has had a fairly lengthy list of ineligible risks falling in specialty classes, such as buildings occupied for fairly hazardous purposes, such as cotton gins, grain elevators, unprotected sawmills, etc., and specific types of personal property, such as baled cotton, grain in elevators, etc., and the contents of ineligible buildings. Most sprinklered property has been generally eligible for term rating, except as to reporting forms. At one time, many buildings were not eligible for term rating, but during the late 1920's and throughout the 1930's there was a steady stream of liberalizations in all states, the result being that only a few special types of buildings remained ineligible. The big change in Louisiana, thus, will be its effect on mercantile and manufacturing stocks.

Whether the term rule was a matter

of underwriting or rating—or which it should be—has been a matter of debate by students of insurance and of the rate structure for years. Theoreticians on the one hand have argued that rules which make one class of property eligible for term discounts and other ineligible amount to a confession that either the base rate for the ineligible property is incorrect or that the term multiple is in error. On the other hand, it has been argued that, even assuming these underlying factors are correct, risks of the ineligible type present so much possibility for change during a year that no insurer should be expected to commit itself to stay on a line for three or five years. The argument against term rating on reporting forms has been that their very nature should go against coverage for more than one year and also that lack of a term discount should properly be one of the considerations the insured pays for his coverage automatically following changes in values.

Atom Test Damage Raises Problems

(CONTINUED FROM PAGE 1)

clause, but rather is—or is intended to be—a blanket exclusion of damage from atomic weapons.

Should claims be made against insurance companies under older extended coverage endorsements, without the atomic fission exclusion, there are at least two possible points of argument. One is whether nuclear fission is technically an "explosion" within the meaning of an insurance policy. Obviously, there is no established legal precedent on this point, although many observers think a judge would hold that, no matter what a scientist may call an atomic blast, it is an "explosion" within the average person's concept.

"Friendly Explosion" Question

The other possible objection is one which has arisen for years in connection with claims made by blasting, testing heavy artillery, etc., without apparently a final answer in court. It is whether there can be such a thing as a "friendly explosion," similar to a "friendly fire." It has been argued that an explosion set off purposely for a legitimate purpose and under proper authority—which would include these atomic tests as well as blasting—is not intended to be covered by an insurance policy protecting against explosion. This view has been argued and kicked around for years, but apparently there is no conclusive legal answer.

Practically speaking, it seems quite possible that the government may take insurers off the hook in the Nevada cases and pay for any damage from these blasts without litigation as possible. Undoubtedly, neither the atomic energy commission nor any other government agency is anxious to reveal exactly what happened at the proving ground and law suits, with subpoenas being issued to officials, would scarcely be to their liking.

SAN FRANCISCO VIEWPOINT

SAN FRANCISCO — The first repercussions here from the atomic explosions at Las Vegas, Nev., indicated that the companies would probably disapprove claims for property damage resulting from the experimental explosions.

Most company men here feel that insurance covers loss only from actual accidents, not from explosions which are carefully prepared in advance. The question arose following a report that one company had received nearly 50 A-blast damage claims at its Phoenix office. Several offices here have received one or more such claims.

Rudolph C. Stange, assistant general manager here of National Board, reported that A-blast damage had been taken under consideration by the board's Pacific committee at the last meeting. However, he said the committee had taken no definite policy stand pending further developments.

Unofficially, it is expected that the companies will take the same stand as was assumed in Hawaii during the last war, when practice firing of heavy guns caused similar damage. At that time, the companies felt as they do now, that the government should assume the obligation.

The reported claims in Arizona were for broken windows and cracked walls.

The Parker-Kaufman agency has been formed at New Brunswick, Ga., by John C. Kaufman and W. W. Parker.

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NEWS OF FIELD MEN

Inland Empire F.U.A. Elects R. W. Buechel President

R. W. Buechel, Home, has been elected president of Inland Empire Fire Underwriters Assn. Other officers are Jack H. Sumner, Cravens, Dargen & Co., vice-president and W. H. Riley, St. Paul F. & M., secretary.

Edward Miller, Springfield F. & M., explained the manner in which grain dealers or warehousemen should report their values if they intend to comply with state law and keep their depositors 100% protected. A. S. Juniper, General Adjustment Bureau, explained the mechanics of following an adjustment on grain warehouse losses, and Alexander Rische, superintendent of the Underwriters Salvage Co., explained the functions of his organization.

Jackson New Home Resident Secretary in Minnesota

John E. Jackson has been made resident secretary of Home at Minneapolis. Mr. Jackson joined Franklin Fire in 1904, and in 1914 was transferred to Wisconsin as special agent. A year later, when Franklin was acquired by Home, Mr. Jackson was transferred to Minnesota as special agent. In 1930 he became joint state agent there, and in 1947 was made manager for Minnesota.

Paine in New Minn. Post

Vincent E. Paine has been named special agent for Fireman's Fund group in Minnesota with headquarters at Minneapolis.

Mr. Paine has been with the Fire Underwriters Inspection Bureau and more recently has been an agency engineer.

Plan P. R. in N. M.

The New Mexico division of Fire Underwriters Assn. of the Mountain States met at Albuquerque last week to outline the 1951 public relations program. Robert M. France, Security of New Haven, president of the Mountain States group, assisted William F. Ehrat, America Fore, vice-president in charge of the New Mexico division, in conducting the meeting.

Monthly meetings have been planned to check on results.

Davis to Ohio Field

Millers National has named Edward Q. Davis, home office underwriter, as special agent in Ohio.

Prior to joining Millers National Mr. Davis was in the insurance business for 16 years. During the war he served in the navy.

G. W. Burney in New Post

Commercial Union has appointed George W. Burney, Jr. special agent in western Pennsylvania, with headquarters at Pittsburgh.

Mr. Burney was previously with National Fire both in the home office and as a special agent in western Pennsylvania. He is an air corps veteran.

To Fete Blue Goose Brass

Blue Goose grand nest officers will hold a meeting at Milwaukee, Feb. 9-10. Howard W. Bailey, Pacific Fire, most loyal gander of Wisconsin nest, will entertain them at dinner on Friday and the Wisconsin nest will have them as guests at a father and son luncheon on Saturday.

Aetna Names Whalen, Keller

Aetna Fire has appointed James A. Whalen as special agent in Illinois, and George J. Keller as special agent in Indiana. Mr. Whalen, who will have headquarters at Chicago, for a number of years operated a local agency in

northern Illinois. A specialist in farm business, he will devote most of his time to this class.

A navy veteran, Mr. Keller will specialize in marine work. He has served considerable time in the underwriting departments at the home office. His headquarters will be at Indianapolis.

Inspect Atchison Feb. 14-15

Kansas Fire Prevention Assn. will inspect Atchison Feb. 14-15. About 50 members are expected to participate. The chamber of commerce will hold a luncheon for the inspectors.

Toelle at San Antonio

A special meeting of Alamo Field Club, San Antonio, with local agents as guests, was held Feb. 2 to hear Maynard Toelle, Chicago, midwestern supervisor for American Foreign, tell of the work of his organization.

Advance Worthington in Va.

Clarke Worthington has been promoted from special agent to manager of Home at Richmond. He will supervise the company's operations in Virginia, exclusive of Alexandria and Arlington and Fairfax counties.

To Hear Legislative Report

Iowa Blue Goose and Des Moines Casualty & Surety Club will hold a joint session Feb. 19 to hear Robert Coleflesh, Des Moines attorney, report on

insurance bills now before the Iowa legislature. He is counsel in Iowa for National Board.

T. R. McDonald, Hartford Fire, spoke before the Blue Goose this week on the recent windstorm damage in the east. He was stationed in New Jersey handling claims following the storm.

Arizona Field Men Elect

Arizona Fire & Casualty Fieldmen's Assn. has elected O. M. Cleveland, Douglas - Cleveland general agency, president. He succeeds Frank Distel, Home. Vice-president is Jay C. Wickler, Great American, and Chet Long, Chet Long general agency, is secretary.

Colorado Blue Goose will hold its annual dinner-dance Feb. 21. J. A. Harvey of Braerton, Simonton & Brown is chairman.

Suburban New York Field Club at its February meeting discussed extended coverage and the recent windstorm losses.

MARINE

Great Lakes Syndicate Elects R. R. Dwelly Chairman

R. R. Dwelly, North America, was elected chairman of Great Lakes Underwriting Syndicate at the annual meeting at New York. All officers were re-elected, they being: Underwriter and secretary, S. D. Livingston; treasurer, R. F. Weyant; assistant treasurer, H.

Dorfman; loss department manager, S. Gore, and assistant loss department manager, T. Birdseye.

Companies elected as managers for three years were American, Connecticut Fire, North America, Standard Marine, Sun, and Universal.

Settlement Is \$549,520

Detroit & Cleveland Navigation Co. in its annual report states that it received an insurance settlement of \$549,520 in connection with the collision last June of the S.S. City of Cleveland III with a Norwegian freighter in Lake Huron.

Feibel Makes Change

Louis Feibel has resigned as assistant to the manager in the Chicago inland marine department of Boston to become assistant to T. R. Keegan, who is inland marine manager in the midwest division of Atlantic Mutual at Chicago. Mr. Feibel has been with Boston the past four years associated with H. E. Cornwall, who just recently went with Johnson & Higgins at Chicago. Prior to that Mr. Feibel was with Pearl at Chicago in the marine department and his earlier experience was with Corroon & Reynolds in the fire brokerage department.

George and Frank Jenkins, brothers, have organized the George A. Jenkins agency at Gastonia, N. C. They had been operating separate agencies.

Insurance Women of Joplin, Mo., heard a talk on dwelling and household coverages, and relations of an agency with the public by Edward B. Swetz, Missouri, state agent of Atlas.

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NEW YORK

BURNETT JOINS A.I.U.

American International Underwriters has named Edward G. Burnett to the New York brokerage department. He attended Rutgers and operated his own brokerage office in New Jersey before joining Sterling Products International as insurance manager for the foreign division of Sterling Drug.

WUNDERLE ADDRESSES BROKERS

Robert Wunderle, supervising underwriter for Royal-Liverpool at Brooklyn, discussed recent changes in the burglary and liability manuals before Brooklyn Insurance Brokers Assn. at its February meeting.

FOX & PIER ELECTS OFFICERS

Fox & Pier, general brokers at New York City, has elected John K. Cowperthwaite, president; Robert G. Knott,

vice-president, and E. Tunnick Fox, Jr., vice-president and treasurer.

COMMITTEE CHAIRMEN NAMED

Assn. of Local Agents of New York City has announced the replacing of Alfred Jaffe, Sr., with John B. Theurer. The standing committees elected these committee chairmen: Harold R. Hall, executive; Joseph L. O'Brien, membership, and John B. Theurer, public relations.

Seaboard Fire & Marine has appointed O'Brien & O'Brien, 90 John street, New York City, agents for metropolitan and suburban territory.

CHICAGO

HEADS CRAMSIE LIFE SECTION

Clarence A. Melohn has been named manager of the life department of the Cramsie, Laadt Agency in Chicago. Mr.

Melohn has been in the life insurance business in Chicago since 1937 with Provident Mutual, Continental Assurance as supervisor and American National. He is an army veteran.

Edward Muno, formerly with Thomas T. North, Inc., Chicago independent adjuster, has taken charge of the claims department in the Chicago office of Jones & Whitlock. He succeeds Mabel Solomon who is retiring after many years with this organization.

Joseph Bankowski of the collector of internal revenue office will address a dinner of Chicago Insurance Accountants Assn. on Feb. 15 on personal and small business income tax returns.

Williams to Top Gray Co. Post, Reimann Chairman

At the annual meeting of the Fred L. Gray Co., large Minneapolis general



W. A. Williams

agency, J. Emile Reimann was elected chairman and Wheaton A. Williams, who has been executive vice-president, was named president. George B. Stephenson became executive vice-president; Herbert W. Nicolle, Clarence F. Clark and Ray G. Butts, vice-presidents; Harry A. Paulsen, secretary-treasurer, and Emil T. Anderson, assistant secretary. Mr. Williams is a past president of National Assn. of Casualty & Surety Agents.

Ernest A. Blume was appointed manager of the fire division and Earl W. Loose superintendent of agencies. The agency has been in operation for 60 years.

Mutual Casualty Companies Set Dates for Conferences

Conference of Mutual Casualty Companies has announced dates for conferences to be held this year.

March 8-9, underwriting (auto and general casualty), Chicago; May 10-11, management (officers and executives), Highland Park, Ill.; June 21-22, accounting and statistical (office methods and procedures), Chicago; Oct. 1-3, sales and agency (annual meeting), Detroit; Nov. 15-16, claims (auto and general casualty), Chicago.

Ohio Independents to Meet

Independent Insurance Agents of Ohio will hold its annual business conference at Columbus Feb. 7.

Luncheon speaker will be D. W. McGinnis, vice-president Motors Ins. Corp., New York City, on "Getting the Full Value of One's Insurance Agency." C. W. Medick, L. E. & C. W. Medick Co., Columbus, will preside at a round-table and the speaker at the banquet will be Congressman Halleck of Indiana.

Hildreth to Coast Agency

Stuart G. Thompson-Elwell Co., general agents, has appointed Jack Hildreth to the miscellaneous casualty and inland marine department at the head office in Seattle.

Mr. Hildreth started in the business in the home office of General of Seattle in 1932. In 1938 he was transferred to St. Louis and in 1946 went with National Surety at Chicago.

Drais to Portland Agency

Jewett, Barton, Leavy & Kern, Portland, Ore., agency, has appointed Don G. Drais as manager of the casualty and surety department.

Mr. Drais, who has been in the business since 1934, formerly was with

Founders as manager of the casualty department at San Francisco.

Made So. British General Agent

South British has appointed the Benson Co. of Salt Lake City as general agents for Idaho and Utah. The Benson Co., supervising general agents since 1932, is one of the largest general agencies between Denver and the Pacific Coast. All classes of business except life are handled.

N. W. General Agents Meet

Northwest General Agents Assn. held a luncheon meeting at Seattle. Bills affecting insurance under consideration by the current legislature were discussed.

Karl Kleve & Co., one of Cincinnati's oldest local agencies, moved to new quarters at 3126 Harrison avenue in suburban Westwood Feb. 1. The agency has been located downtown since its founding in 1885 by the grandfather of Karl Kleve, who is the third generation of his family in the business.

E. R. Walker, local agent at Athens, O., has taken his son-in-law, James R. Ebricht, into the agency.

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Los Angeles Branch Office. Please give age, experience and salary requirements. All replies confidential. Address F. G. Bradley, Bond Manager, United Pacific Insurance Co., 810 South Spring Street, Los Angeles 14, Cal.

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Experienced Underwriter and producer of Fidelity and BBB for executive position in Home Office of well known West Coast company. In reply give full particulars regarding experience, background and salary required. Address D-36, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED — CLAIMS ATTORNEY

For the home office of a midwestern casualty company. Must be thoroughly experienced in the handling of automobile, liability claims. Salary commensurate with ability. Give full particulars regarding experience and salary wanted. Replies confidential. Address D-71, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Here is an outstanding opportunity for you if you are qualified to conserve Accident, Health, and Hospitalization business through your letters. Address D-67, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Field men to serve as Special Agents for Western Michigan and Western Illinois territories handling general casualty, automobile, general liability, fire, and bond sales promotion. These are good opportunities which are open due to an aggressive expansion program. Apply Personnel Department, Auto-Owners Insurance Company, 615 North Capitol, Lansing 3, Michigan.

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Group of stock companies can use fire prevention and insurance service man acquainted with sprinklered and unsprinklered special hazard risks. State fully qualifications and approximate salary desired. Address D-65, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

EXPERIENCED FIELD REPRESENTATIVE

Wanted for Eastern Indiana. Prefer multiple line man but will train experienced fire man in casualty and surety or vice-versa. All replies confidential. Give experience, age, salary expected. Address D-70, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED — LOSS MAN

Company office in Chicago now writing Fire and Allied Lines needs loss man, preferably with some Casualty experience. Excellent opportunity. Give qualifications, etc. in reply. Address D-73, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Wanted to open Kansas City branch office beginning with development of Kansas City and Western Missouri. Future development of Iowa and Nebraska available. Multiple-line operations desired with fire facilities now or later. Underwriting background preferred. Address R. F. Miller, Vice President, Trinity Universal Insurance Co., Dallas, Texas.

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Gen'l. Seattle, Meeting Livened by Stockholder

The annual meeting of General America Corp. at Seattle last week was enlivened by an exchange between President H. K. Dent and a stockholder who favored increasing the dividends.

At the beginning of the meeting, Mr. Dent announced that the management had received proxies for far more than a majority of the outstanding shares. The directors were reelected, and Mr. Dent in his report said that the company would declare its usual 75 cent quarterly dividend, adding that he did not feel it improbable "for us to consider some change in the policy in the comparatively near future, without effecting the soundness of our company from either the policyholders or stockholders standpoint."

Earnings for 1950 were \$39.13 a share compared with \$47.84 for 1949. However, Mr. Dent said he opposed increased dividends at this time because of the need for additional capital to finance the rapidly growing business. He pointed out that this means a considerable enhancement in the stock's value, the present market price of \$299 a share being 387% of the company's depression high.

Robert C. Bunn, who owns 75 shares, had attempted to line up a block of stockholders who are dissatisfied with the conservative dividend policy. He said he would like to see a 10 for 1 stock split. "I don't want falsely inflated speculative stock," Mr. Dent shot back. "If you need the money, sell a few shares, don't waste it on proxies. They won't do you any good. We can't run this company just for you, Mr. Bunn. If you want to run a company, go organize another one. I did."

1,200 Attend 50-Year Banquet of Phila. Society

An exceptionally large turnout of about 1,200 attended the 50th anniversary banquet of Insurance Society of Philadelphia and they were greeted with a very enjoyable program. Dr. Nicolas Nyaradi, ex-minister of finance of Hungary, gave a revealing talk on the subject "Is Russia Ready for the Final Showdown?" The guest of honor, Commissioner Leslie, also spoke.

Kenneth B. Hatch, society president, gave a brief resumé of the organization's 50 years, stressing the steady upbuilding of the educational facilities. He mentioned more than \$6,000 has been contributed to extend library facilities. John Glendenning of the Home acted as toastmaster in the place of Harold V. Smith, Home president, who was unable to attend. A fine program of entertainment concluded the event.

Growing Black Market Points to More Hijacking

Reports of growing black markets are being received from many places as supplies of goods run low in lines directly affected by either war production or government controls, Cargo Protection Bureau of New York reports.

Television and radio are already being affected and are going to be hit hard, both in the area of finished sets and parts and supplies, the bureau says. Textiles, which were in abundant supply only a few months ago are now approaching acute shortage stages. Heavy metals, rapidly being diverted to war production, are definitely indicated in the gray market area today.

This all points to an increased theft hazard for goods moving via truck. Thefts and hijackings of truck cargoes turned up sharply the latter part of 1950. Theft areas have widened and theft lists have expanded to include in large volume many items not listed in a major way in past years.

New Neb. Tax Plan

A bill to substitute the basis of taxation of fire companies has been introduced in Nebraska. It would provide for a flat 2% tax on premiums in lieu of the present system whereunder the companies pay to the counties and districts on their premiums similar to a property tax, the amount sometimes being as much as 6% of premiums.

A multiple line bill has also been introduced in the legislature, Nebraska being one of the few states not having a multiple line law.

To Survey Licensing Plans

The Canadian insurance department plans to conduct a comprehensive survey with respect to licensing and regulation of agents. The survey will also cover the practice of insurers in connection with salaried employees who solicit insurance directly or indirectly.

Keith F. Kelley of Fort Worth has been appointed chairman of the senate insurance committee of the Texas legislature.

Producers Underwriting Corp. of Oakland, Cal., will shortly enter the general liability field.

Bert Harding, a local agent at Wausau, Wis., for 35 years, and Fred Pophal, who entered the business last fall, have formed the Hardin-Pophal agency there.

Air Cargo Insurance



BOEING STRATOFREIGHTER

WHEN air cargo moves at three miles a minute—and every minute means money—then air cargo insurance service must move at the speed of flight, too.

But, as in aviation itself,—speed and precision in insurance service require years and years of practical experience and a world of knowledge. And a mind open to change!

That is why our policies, which protect shipments everywhere, are not only firmly based on sound insurance principles;—but are kept in step with rapidly changing air transportation developments at all times.

Let us aid you in maintaining proper air cargo coverage for your clients.

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N. C.

The Pioneer Organization

EDITORIAL COMMENT

No Secret Formula Needed

When an insurance salesman puts his mind definitely on winning he will reach his goal. He does not have to know all the tricks of salesmanship, nor does he have to be a high powered man. Enthusiasm and determination together linked up with industry will cause him

to reach his mark. Some agents seem to think that there is some mysterious or esoteric formula for sales success. That is not true. Success after all is based on conscientious, intelligent effort and a desire and determination to win.

Need Mobilization Plan

Though loss men and adjusters were overwhelmed by the great Nov. 25 windstorm in the east they were not surprised as many of them long have foreseen that kind of situation and have seriously considered how it could be met. There simply are not enough adjusters and as a practical matter cannot be to meet a mountain of losses produced either by a quick series of storms of the size that occurred last May in the midwest, or produced in tremendous volume in one day over a wide area as was the case in the northeast last November.

The result has been literally to swamp the loss staffs of the companies and the independent and General Adjustment Bureau adjusters. Neither has there been enough competent office help to keep ahead of the paper work that the Nov. 25 storm entailed.

It is quite apparent that the possibilities of this sort of thing arising with greater frequency in the future are increasing and not diminishing. There is still much strong opposition to the \$50 deductible on the windstorm portion of the E.C. In addition, there is now being promulgated country over an addition to extended coverage which includes ice damage. Loss men recall that late in 1948 there was an ice storm along the eastern seaboard, particularly in the thickly populated, high value area in and around New York City, Newark, etc., that in some sections resulted in damage to at least one in every three houses. The damage was to roofs, eaves, drain pipes, trees and shrubs, etc. Here is another type of weather that as time goes along and more and more

people buy the added E.C. will subject the companies to the vast number of losses that now arise chiefly from the wind cover.

Several adjusters have conceived and discussed a kind of industry wide mobilization under circumstances of this sort. The problem is one for the entire business. One adjuster describes what is needed as a "citizen's army" for handling catastrophes like this. Adjusters believe that if the companies are to continue writing covers which produce in a day or in a few days vast numbers of losses, from 200,000 to 500,000, then they must create the personnel to administer that kind of situation and perform the loss work.

This solution would be to teach a large percentage of all employees throughout the business the rudiments of adjusting and of handling loss papers so that they could be thrown into the battle when one develops. This personnel of course would be from the insurance population.

Adjusters also see the necessity of achieving as many shortcuts as possible, perhaps on a permanent rather than a temporary basis, certainly for use whenever a giant size storm comes along. Progress in this direction is being made during the present experience. For example, the companies have dispensed with written reports on losses up to \$500. Adjusters simply forward an estimate of the repair bill, statement and bill for services with proof of loss, the latter rubber stamped to the effect that this is catastrophe No. 15 for National Board statistical purposes. This provided considerable relief.

Doing Homely Things Well

John D. Rockefeller once said that the secret of success is doing a common duty uncommonly well. Some times we are all prone to regard some of the tasks assigned to us as insignificant and inconsequential. We would prefer to tackle the more important and engross-

ing ones. We feel that we have got beyond the stage of rendering small service. Yet after all it is a test of character when one is asked to do something that may seem small and do it just as intelligently and completely as if it were something of vast importance.

PERSONALS

George H. Duxbury, U. S. manager of North British & Mercantile, is now enjoying a stay in Florida after having been away from the office for some time due to illness.

James Eldridge of Chicago, director of Johnson & Higgins in charge of the marine department, is in Phoenix, Ariz., for a few weeks.

Lewis W. Douglas, former ambassador to Great Britain and chairman of Mutual Life, has been appointed to the executive committee of the United States branch of Employers Liability.

The entire home office staff of National Fire assembled last week to honor **John C. Conklin**, who has completed his 50 years with the company at the home office. Mr. Conklin was presented a gold watch by F. C. Layton, chairman and a testimonial speech was given by Pres. H. B. Collamore. Mr. Conklin recited anecdotes about the past. He has served under four of the five presidents of the company.

Sidney O. Smith, president in 1936 of National Assn. of Insurance Agents, who has been confined to his home at Gainesville, Ga., by illness for the past year, is now able to get down to his office nearly every afternoon to get his mail and pass the time of day with his associates there. His agency is Sidney O. Smith, Inc. His partner John Howard Davis is on a trip to New York and Hartford this week. He is immediate past-president of Georgia Assn. of Insurance Agents.

John M. Kidd, deputy U. S. manager of Norwich Union, has recovered from the injuries he suffered in an automobile accident last November near Paterson, N. J., and is back on the job full time.

A. G. Hahn, cashier of Ocean Accident at the New York head office, returned to his office this week upon recovery from a gall bladder operation. An Ocean man 45 years, he is the oldest U. S. employee in years of service.

G. M. Haines, retired U. S. general attorney of Phoenix of London, is enjoying a stay at La Jolla, Cal., during the winter season. He has a place for the summer period on the water near Greenport, L. I.

Russell D. Hobbs of Chicago, general manager of Western Actuarial Bureau, and Mrs. Hobbs are sailing Friday on a Caribbean trip.

John G. Segerdahl, office manager at Chicago for National Fire, was honored at a luncheon attended by associates and given by E. H. Forkel, vice-president, marking his 40th year with the company. He was presented with a fine gift.

a heart attack which may have been brought on by sub-zero cold. He had been with Continental for six years and prior to that was with Lumbermens Mutual Casualty in Chicago.

EUGENE P. BERRY, 68, former Michigan commissioner, died following a heart attack while walking near his home at Detroit. He served one term



EUGENE P. BERRY

as head of the insurance department in 1941-42 as an appointee of Gov. Van Wagoner. Earlier, in 1933-34, he had served as a commissioner in the department of labor and industry, which administers the workmen's compensation act.

ROBERT R. CLARK, former U. S. manager of Caledonian group, died after an extended illness. He was president of William A. Muller & Co., general agency at Boston, since his retirement in 1941.



ROBERT R. CLARK

ment in 1941. He started his career with the Muller agency in 1908, later serving as special agent for Newark Fire in New England. He then became general agent of Caledonian for the

DEATHS

E. F. CUNNINGHAM, assistant manager of North British at Detroit since 1926 and with the group since 1920, died after a prolonged illness.

T. W. MAGNUSON, 53, assistant superintendent of the surety claim department of Continental Casualty at Chicago, died on his way to work from

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PUBLISHED EVERY THURSDAY

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 Editorial Assistant: Charles C. Clarke.

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DES MOINES 12, IOWA—3323 Grand Ave., Tel. 7-4677. E. J. Chapman, Resident Manager.

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Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager. John E. Caughman, Pacific Coast Editor.



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New England states and later was advanced to executive general agent at the head office. He was appointed U. S. manager in 1927.

HIRAM E. WILSON, 66, retired vice-president of Michigan Millers Mutual Fire, died in a Coldwater, Mich., hospital Tuesday of injuries sustained in a highway accident earlier in the day. Mr. and Mrs. Wilson had left that morning for a California vacation. Mrs. Wilson was killed instantly. Mr. Wilson retired Jan. 1 after 43 years with the company. He started as a bookkeeper, and later served as an underwriter, general agent, and assistant secretary before being named vice-president in 1935.

MRS. MARTHA M. BELCHER, 93, widow of Charles E. Belcher, for many years publisher of the Standard, insurance weekly that circulates in New England, died at the home of a daughter in Newton, Mass. She used to accompany her husband on some of his trips to insurance meetings.

RANDOLPH A. ELIASSEN, 50, Cuyahoga county special agent of Loyalty group at Cleveland, died at his home there of a heart attack resulting from snow shoveling. He had been with Loyalty group about 15 years and pre-

viously with National Liberty and Corroon & Reynolds.

LAWRENCE P. MCGEE, 54, resident vice-president at New Orleans of American Surety, died at his home there. Mr. McGee had served as vice-president there since 1947.

JOHN S. WHITTEMORE, 75, secretary of Eastern Commercial Travelers of Boston, died there. He had served for many years as secretary of International Federation of Commercial Travelers Insurance Organizations, and was a former president of Boston Assn. of A. & H. Underwriters. He served six years in the Massachusetts legislature and was active in civic affairs at Newtonville, where he had resided for 28 years.

CHARLES W. HUBBARD, 47, Killmar-nock, Va., local agent, died there. He was a member of the executive committee of Virginia Assn. of Insurance Agents.

LAWRENCE V. MORRILL, JR., 61, local agent at Snow Hill, N. C., died in McGuire veterans hospital at Richmond, Va. He had been partially disabled by arthritis for a number of years.

O. W. HARVEY, 68, local agent at Wichita Falls, Tex., since 1920, died of a heart attack suffered at his office.



J. S. Whittemore

Split Develops on Fees of Defense Contract Advisers

WASHINGTON — Differences of opinion have developed over insurance advisers' fees under defense cost-plus-fixed-fee contracts in connection with a proposed rating plan. Brokers and agents are reported to have split over the matter, in connection with recent conferences with Defense Department Insurance Director Kane.

The latter reportedly believes percentage amount of advisors' fee should be increased over the world war II figure, but he wants government to get good service. Therefore, if a higher fee is allowed he reportedly wants some method set up to get rid of inefficient advisors. One suggestion is that his insurance advisory board could fire such advisors for good cause.

Agents' representatives reportedly would prefer a lower fee without being threatened with firing. Brokers prefer the reverse of that, it is said.

Before conference with Mr. Kane, groups of producers' representatives exchanged ideas about advisors' fees, etc. One group reportedly proposed a higher figure be asked and it was suggested if that were not acceptable, the matter be compromised.

Later, one group reportedly submitted a figure to the department without further consultation with other producer groups—a figure certain producer interests did not agree to.

The situation is described as very unfortunate from producers' standpoint, as a united front is lacking vis-a-vis the department.

Another War Damage Bill

WASHINGTON—Another war damage bill has been introduced by Rep. Wolcott, Michigan, former chairman House banking and currency committee. It is along the same lines as the bill passed by the House last year, without the workmen's compensation feature.

55% Carry B.L. P.D.L. in Wash.

On the first anniversary of the Washington broad term financial responsibility law, Joe C. Peters, manager of the department of licenses' financial responsibility section, estimated that 55% of the motorists in the state now carry automobile B.L. and P.D.L.

Mr. Peters said that one of the department's biggest problems has been in connection with policies bought at

the time motorists purchased their cars. He said dealers, especially those on used car lots, have been telling their customers that they are completely covered. Actually, all the customer has bought are fire, theft, and collision.

Chicago A. & H. Assn. Sets Sales Congress for Feb. 20

Chicago A. & H. Assn. will hold its annual sales congress Feb. 20. Principal speakers are Hal Bergdahl, manager dealer sales, Crane Co., who will talk on "A Bonus Every Month," and M. C. Laughman, manager of North American L. & C. at Minneapolis, whose topic is "Piddling and Peddling."

In addition, Edward H. O'Connor, managing director Insurance Economic Society, will report on current legislation, and Wesley J. A. Jones, executive secretary International Assn. of A. & H. Underwriters, will review that organization's activities. A cocktail party will close the affair.

Resigns as General Agent

The Mid-West Co., Topeka, has resigned as general agent of Meserole companies. C. W. Roush, who has been manager, has joined the Kirk general agency at Topeka.

Emil L. Hoen, 72, retired vice-president of Maryland Casualty, was killed in the Pennsylvania Railroad wreck at Woodbridge, N. J. He had recently joined Alden & Meeks, reinsurance brokers of New York City, and was active in the sale of the Buffalo Ins. Co. last year. Paul U. Farley, head of the credit insurance department of London Guarantee at the New York City head office, was seriously injured. He is in Perth Amboy Hospital.

Ex-Buckeyes



Chicago Buckeye Club officers at annual dinner.

Top row: Emil J. Hepp, secretary Springfield F. & M., vice-president; T. J. Ocsek, Rollins Burdick Hunter Co., retiring treasurer.

Second row: Philip S. Beebe, associate western manager Hartford Fire, retiring president; H. A. Grider, general manager F.I.A. western branch, founding father and first president.

Below: V. L. Montgomery, North America manager, and Homer Burlingame, Western adjustment, past presidents.



NEW PRICE LEVELS MEAN NEW INSURABLE VALUES

Revised insurance coverage based on Continuous Appraisal Service prevents unnecessary over-insurance — hazardous under-insurance. It facilitates loss adjustments.

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Employers Reinsurance Corporation

J. B. ROBERTSON, PRESIDENT

CONDENSED STATEMENT AS OF DECEMBER 31, 1950

ASSETS

Cash in Banks and on Hand.....	\$ 4,671,570.77
Bonds, Amortized Value	
United States Government.....	\$21,412,555.73
United States Government Agencies.....	3,295,855.12
Canadian Government.....	1,204,073.46
State, County and Municipal.....	8,395,031.93
Total Bonds	34,307,516.24
Stocks, Convention Value.....	8,675,122.04
Total Bonds and Stocks.....	42,982,638.28
Mortgage Loans	156,716.74
Uncollected Premiums (Not Over 90 Days).....	289,870.23
Interest Accrued and Other Admitted Assets.....	635,376.21
Total Admitted Assets.....	\$48,736,172.23

LIABILITIES

Reserve for Claims and Claim Expenses.....	\$23,175,537.34
Reserve for Unearned Premiums.....	10,629,761.79
Funds Held Under Reinsurance Treaties.....	1,829,092.64
Taxes and Other Liabilities.....	992,537.31
Voluntary Reserve	\$ 2,109,243.15
Capital	2,000,000.00
Surplus	8,000,000.00
Surplus to Policyholders.....	12,109,243.15
Total	\$48,736,172.23

On the basis of December 31, 1950, market quotations for all bonds and stocks owned:

Total admitted Assets would be increased to.....\$48,809,998.94

Voluntary Reserve would be increased to..... 2,183,069.86

Securities carried at \$2,703,936.11 in the above statement are deposited as required by law.

REINSURANCE IN MULTIPLE LINES

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Insurance Exchange Bldg.

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TOO MANY "BLANK CHECKS"

Miscellaneous Expense Item
Hikes Hospital Loss Ratio

Claim ratios on individual and franchise hospitalization insurance are going up and the "miscellaneous expense" item rather than the daily room rate is the major factor. That was the consensus at the hospital section of the medical-hospital-group meetings of H. & A. Underwriters Conference held at Chicago this week, with more than 200 in attendance.

Those points were brought out in a show of hands requested by W. de V. Washburn, American Health, who said that one of the reasons for the miscellaneous expense trouble was giving a blank check in the form of five to 10 times the daily room rate for that feature. He opposed the use of "blank checks" under any conditions, and placed the blanket medical coverage also in that category.

There might in some cases be some abuse by the hospitals but the increase in the expense feature is due primarily to the inflationary trend. In the days of 1941 or 1942, when \$5 was the standard daily room rate, the average miscellaneous expense claim might be around \$14. The price for the same service is \$42 today.

Changes in Method of Treatment

Changes in the manner in which illness is treated also have a material effect. There is a shorter hospital stay but this is more than made up by the higher cost of medicines, etc., used in treatment. It has reached a point where every case is approaching the maximum rather than the average allowance. The companies generally don't know the answer and don't know what to charge.

He asked how many of those in attendance were using the allocated method and found that there were only a few. He suggested that a return to that plan might be one answer to the present situation. He warned, however, that there might be a "blank check" feature there where the "customary charge" wording is used in connection with operating room, etc.

Provide Flat Daily Rate

A solution that he considers preferable is one used by his own company, which was found to be in use by at least one other company, because "it sells well," is to combine the hospital room and other expense so as to offer a flat rate per day. His company has been using this plan since 1946 and has found that its loss ratio is going down.

The hospitals like it, because it is the plan used by Blue Cross. They don't like the allocated basis. A graded rate may be established so as to allow more proportionately for the longer stay, thus giving greater consideration to the more serious cases, which may be approaching the catastrophe stage.

In response to a question, he said the individual rate on a comparable basis is necessarily higher than Blue Cross but under group plans it is lower.

As to what should be done about outstanding policies, he said that for business with good persistency there may be a disposition to let things rock along on the present basis, but if lapses are high, it may be better to rewrite.

Martin H. Imm, St. Paul Hospital & Casualty, reviewed the survey made by the hospital insurance committee in 1948 as to the more important features of coverage and brought out by a series of questions that liberalizations have been made all along the line since that survey. He suggested that another

should be made to bring the data up to date.

It was brought out that about 15 companies are providing \$10 or more daily hospital room indemnity, with three writing up to \$20 in certain cases. The demand for these high indemnities comes mainly from the Pacific Coast, and especially from the Pacific northwest, where hospital rates are unusually high. Three companies are writing up to 15 times daily indemnity for miscellaneous expense.

On the question of whether hospital confinement is required for other expense payments, it was found that several companies provide from two to four times daily indemnity for outpatient treatment and one company covers x-rays in doctor's office.

Don Hodder, Woodmen Accident, former Nebraska commissioner, reviewed the Liberty Mutual catastrophe plan and three others which have recently been put out.

"Common Denominator" Policy

C. C. Yost, Reserve Life, told of the preparation by his company of a hospital policy with provisions put on a "common denominator" in order to secure approval by as many departments as possible and avoid the issuance of special policies for different states. He said in the first place that many departments object to fancy names for policies and that it is best to use as simple a name as possible describing the coverage that is provided.

On family group policies, some states require that there be but one assured. To meet that, the policy merely insures the applicant, but states that it will pay benefits to him and his dependents. Objection has been made in some cases to references to a "legal" or "recognized" hospital. Therefore, "hospital" alone is used, but accom-



Wm. Washburn



C. E. Waller

panied by a definition of a hospital, to which no exception has been taken. A definition of an ambulance also is included, as it is found that too many claims for ambulance benefits have been made when the insured was taken to the hospital in a taxi or private car.

Further Community Plan Data

C. E. Waller, Professional, whose description of community enrollment methods attracted so much attention at the annual meeting of the conference in New York last summer, gave some further information on the plans followed and the experience on that business. He said in the first place that it is not a case of everyone rushing in to participate and that the words "community enrollment" in themselves will not sell business. It is necessary to organize the campaign thoroughly and get the cooperation of doctors, hospitals, business and civic leaders. He said the result of the last election indicated very strongly that a large per-

Study Effect of
Rent Control on
O. L. & T. Losses

Deterioration in O. L. & T. experience is being commented upon by underwriters and one explanation that has been advanced and is persuasive is that due to rent control, there is a tendency on the part of landlords to skimp on improvements and repairs and thus to create hazards that lead to accidents. It is not only decorating that landlords are prone to get out of doing, but also many of them unduly put off taking care of situations affecting life and safety of tenants and the public. There are such matters, for instance, as stair carpets that become worn and frayed and breed falls. Porch and stair railings may be starting to go and yet the landlord who is out of sorts and operating on a minimum standards basis will let it go and here is where there are some serious accidents. Gutter repairs may be put off and there may be overflows and leaks that create unnatural accumulations of ice and a good argument for the plaintiff's attorney.

percentage of the people are against compulsory plans and the assistance of many community leaders can be secured on that basis. It is important to have sponsors in whom everyone has confidence. To get in a man who is generally disliked is a serious handicap.

An advertising campaign precedes the actual solicitation. A full-page "ad" in the local paper is used the first week and 40-inch space the next two weeks. Direct mail pieces and radio spot announcements, if there is a radio station covering the territory, also is used.

The solicitation is on a group basis but individual policies are issued. This basis of solicitation helps to prevent anyone from feeling that he is entitled to preferred treatment. He said, however, that it is much more difficult and tedious than any regular group case. In writing business on that basis, it is necessary to cover preexisting conditions, and few claims can be denied, to avoid creating dissatisfaction. In certain cases it has been found that 11.2% of claims by number and 16% by amount were for preexisting conditions. Possibly up to 20% would have been denied if fully underwritten by the agents and the home office.

The county is made the unit for solicitation, although if there are two good-sized towns in a county it may be divided up for two campaigns. No county of more than 50,000 population is covered, and one salesman is sent in for each 2,500 population. The territory is divided into districts on maps secured from the state highway department and agents secure their assignments by drawing them from a hat. An agent works in that territory for the first two weeks of the campaign but can work anywhere he wants to the third week.

The agents are paid on commission but the company pays for hotel room and if the agent is on hand at a specified time, for his breakfast as well. Only one policy is used in the campaign. If an agent finds a prospect for some other form, he can go back and write him later. Incidentally, many territories have been covered a second time, with about as much business produced as the first time around. All policies have one due date, but may be written on annual, semi-annual or quarterly basis, according to how much money the agent can get. There is no discrimination as to race, creed or economic condition, and no age limit.

Renewal premiums are all mailed to the home office and in most cases 90% renewal on the first exposure. Mr. Waller

(CONTINUED ON PAGE 26)

Move to Bridge Gap
Between Poor Auto
Year, Current RatesCasualty Groups Solicit
Company Experience;
Want Quick Action

The casualty organizations have now called upon the individual companies to furnish automobile bodily injury and property damage liability trend data, so that the extent of the sharp deterioration in the experience that occurred especially during the last quarter of 1950 may be properly evaluated and impressed upon the rate structure. The data is wanted by March 15. The figures are requested for 1948, 1949, and 1950 by individual states, showing, besides loss ratios, the average claim cost and number of claims.

All of the companies became acutely conscious of a worsening auto third party liability experience last year. Some companies got the jolt and claimed to perceive the trend earlier than others, but before the year end there was no company that had not been convinced it had run into a new, painful and perhaps devastating period of auto casualty experience.

The majority sentiment on the part of company leaders appears to be to get the evidence of the trend together just as quickly as possible and get it reflected into the rates as soon as they can. Many observers feel that it would be folly to depend on policy year data at this time when a new and perhaps catastrophic combination of circumstances has descended on the auto line.

Sask. Official Denies
Charges in N. D. Report

REGINA, SASK.—C. M. Fines, provincial treasurer of Saskatchewan, charges "willful misrepresentation" in the North Dakota legislative research committee report on Saskatchewan's automobile insurance program.

He "categorically denied" any suggestions in the North Dakota report that political influence and interference exist in the operation of the government insurance office.

"It is my contention that statements made to the committee regarding our claims practices, our appointment of appraisers, and our relations with garages were made by persons more interested in using their own political influence in an attempt to smear the government plan than in presenting the facts," Mr. Fines stated.

"Instances were cited where the appraisers that were appointed were stalwarts of the C.C.F. political party," the North Dakota committee report stated. "There was some comment, denied by the government insurance office, that most of the repair work went to garages affiliated with the political party in power."

Albany Claim Men Elect

John Gallagher, Lumbermen's Mutual Casualty, has been elected president of Casualty Claim Men's Assn. of Albany, N. Y.

Vice-presidents are Clarence C. Whiteford, Indemnity of North America, and Raymond Stoup, Utica Mutual; secretary, James A. Welt, Fidelity & Casualty.

Revive Government Employee Bond Bills

WASHINGTON—The effort to do something about bonds of government officials and employees is being revived this Congress. Rep. Corbett, Pennsylvania, has introduced a bill to provide for purchase of such bonds. Last year congressional committees held extensive hearings on government employees' bonding bills, and the House passed a bill providing for government paying premiums on bonds required to be furnished by its employees, but it failed in the Senate.

Besides the Corbett bill, Rep. Karsten, chairman of the House expenditures subcommittee on the subject, which evolved last year's House bill, has introduced another one along the same line.

Oliver Employers Group Assistant Deputy Manager

Leon R. Oliver, for the past two years personal assistant to Edward A. Larner, chief executive of the Employers group, has been appointed assistant deputy manager in charge of claims, payroll audits and engineering.

He joined the group in 1936 in the U. S. claim department. He has a law degree from Northeastern University and is admitted to the bar in Massachusetts. He is also a graduate of the mechanical and structural engineering division of Lowell Institute.

Files Cal. Assigned Risk Brief

The Inter-Insurance Bureau of California State Automobile Assn. has filed a brief in its appeal against ex-Commissioner Downey of California on the

question of whether the association is obliged to take assigned risks under the California assigned risk plan. The case is now before the U. S. Supreme Court on appeal from the California district court of appeals, which upheld Mr. Downey's contention, although, according to the brief, the district court conceded that the statute would have had to be declared unconstitutional a few years ago.

Defense Group and Cos. Adjourn, No Plan Reached

WASHINGTON—The insurance advisory board to the Defense Department met and conferred at length with the casualty industry rating plan committee, but, according to official sources, no agreement on a plan was reached. The group "got nowhere" on the old plan and a new draft plan is in process.

The advisory board will meet again Feb. 15-16 with Thomas L. Kane, department insurance director. Officials hoped a new and satisfactory rating plan would be ready for action then. However, industry sources indicated it is not going to be necessary to hold any more meetings with the department. While details in disagreement were not learned, observers believed this suggestion might indicate the department would write its own ticket.

The casualty committee which conferred with the advisory board was composed of William Leslie, National Bureau, chairman; Seymour Smith, Travelers, and Howard Starling, Washington, representing stock companies; and Hubert Yount, vice-president Liberty Mutual and Harold Ginsburg, vice-president American Mutual Liability, representing the mutuals.

Rising Auto Ratios Shown

According to the National Bureau of Casualty Underwriters, automobile bodily injury experience has risen from 51.8% as of Dec. 31, 1949, to 56.3% as of Sept. 30, 1950, or .9% over the permissible loss ratio in the rating formula. Automobile property damage remained fairly constant at 53.7% or 2.0% over the permissible loss ratio.

Claim frequency in both lines is rising rapidly as shown in the following comparison of 1950 with 1947 as a base year:

	Percentage Auto BI	Percentage Auto PD
12/31/47.....	100	100
12/31/49.....	91.8	92.4
3/31/50.....	92.6	92.6
6/30/50.....	94.3	93.9
9/30/50.....	95.9	94.8

Claim costs are on the same upward spiral as frequency:

	Percentage Auto BI	Percentage Auto PD
12/31/47.....	100	100
12/31/49.....	115.0	110.4
3/31/50.....	116.1	111.5
6/30/50.....	117.7	111.7
9/30/50.....	119.0	112.2

Health insurance premiums would be deductible from the state income tax under a bill introduced in the Minnesota legislature.

Elects 5 New Companies

An all-time high in membership has been set by Assn. of Casualty & Surety Companies with the election of five new companies, bringing total membership to 84 companies. New members are Connecticut Fire, Equitable F. & M., Phoenix-Connecticut, National Union Indemnity, and Security of New Haven.

Would Amend Bond Rule

WASHINGTON—Rep. Celler has introduced a bill to amend a 1941 law, to authorize waiving of the requirement of performance and payment bonds in connection with certain coast guard contracts.

Three Mont. Bills Affect W.C.

Three bills have been introduced in the Montana legislature affecting workman's compensation insurance. One would provide that any company writing workman's compensation risks, operating under plan 2 (insured with private companies) shall have a minimum paid-up capital of not less than \$1 million.

It also provides that for a good cause the industrial accident board may revoke the licenses of any company operating under plan 2.

The second bill would abolish compensation plan 2, in effect setting up a state monopolistic compensation fund. The third would require insurers to pay all costs of appeals or hearings unless the appeal or hearing is upheld as to the insurer.

Lange Predicts Wis. Auto Totals Will Break Record

Insurance Commissioner Lange of Wisconsin estimated that automobile insurance premiums and losses for 1950 according to incomplete figures would set a new record in the state. He reported that 85% of motor vehicles are now insured as compared to 48% insured before the motor financial responsibility law went into effect in 1946. He commented that the average personal injury settlement in the state has risen from about \$400 to about \$500 in three years and that the average property damage settlement which was \$57 in 1947 is now \$65, with the average collision settlement which was \$74 in 1947, now up to almost \$80.

Honor Kirkwood on 35th Year with Surety Assn.

John L. Kirkwood, secretary of Surety Assn. of America, was guest of honor at an informal staff dinner at New York in commemoration of his 35th anniversary of association activity.

Mr. Kirkwood's entire business career has been spent with the same organizations. He started with Towner Rating Bureau in 1916. In 1938, when the bureau was incorporated, he was elected its first secretary, and in 1947, when the Towner Bureau and Surety Assn. of America were merged, he became one of the three elective officers of the combined organization. He is the oldest, in point of service, of all the officers of the association.

Appeal Excise Bond Decision

Hartford Accident has petitioned for a writ of certiorari to the Supreme Court appealing an order of the New York court of appeals wherein the court held that a person who defaulted on a liquor license bond and subsequently went into bankruptcy, was released from liability to the insurer. Excise Bond Underwriters, whose members write practically all the excise bonds in New York, has filed a motion as amicus curiae, stating that premium rates fixed on excise bonds are determined in part by the right to recoup from defaulting principals, and if a discharge in bankruptcy releases the principal from such liability, the insurance companies will sustain a great loss. In addition, practically all the member companies of Excess Bond Underwriters have judgments against defaulting principals which will become involved by the reason of the New York decision.

Reelect New Orleans Officers

Henry W. Dorsey, associate manager of Fidelity & Deposit, has been reelected president of Surety Assn. of New Orleans. All other officers were reelected, and they are: vice-president, George H. O'Connor, National Surety, and secretary-treasurer, Carl C. Coward, Employers Liability.

24 Finish Hartford Course

Twenty-four agents from 14 states and Canada have completed the four-week training program of Hartford Accident. They were awarded certificates at a graduation dinner at Hartford.

State Farm of Illinois has purchased a 5-minute Saturday evening period over the coast-to-coast Mutual network to present news commentaries by Cecil Brown.

SALES IDEA OF THE MONTH



Winter Harvest

Are you overlooking the sales possibilities of farm liability insurance? You shouldn't!

Farm business is good business. Farm incomes are at a high level, and the field for the sale of insurance is wide open.

Don't wait until spring plowing begins. Now—while the farmer has time to listen to your sales story—is the opportune period to harvest this business.

Concentrate on the **Farmers' Comprehensive Personal Liability Policy**. This policy has immediate sales appeal because it is designed especially to meet farm needs and because the coverage is so broad and the cost so reasonable. Your Zurich-American field man will be glad to help you plan a campaign to get the farm business in your area.



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American Guarantee and Liability Insurance Company
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PRITCHARD AND BAIRD

99 John St., New York 7, N. Y.

REKman 5-6016

WOrts 5-3188

REINSURANCE

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"WE ARE WHAT WE DO"

CASUALTY • SURETY • FIRE • MARINE

Conference Group Meeting Has Double 1950 Attendance

Registration for the group committee meeting at Chicago of Health & Accident Underwriters Conference this week totaled 220, as compared with 125 last year, and the figures bear out the increasing interest the companies are taking in this business. At the same time, a good deal of the subject matter was at best purely academic, at least for the time being, since the government wage freeze order has put a stop to the further writing of group business to which the employer makes a contribution.

The Tuesday session, entitled "Group Insurance in 1951," dealt with state cash sickness laws, legislation, hospital and surgical, state medical society plans, and claims. George H. Hipp, Employers Mutual Liability, and chairman of the group committee, was in general charge, and was assisted by T. H. Kirkpatrick, Paul Revere Life, and J. E. Hellgren, Lumbermens Mutual Casualty, as panel chairmen.

The meeting led off with a panel on state cash sickness laws with Mr. Kirkpatrick moderating and discussing the California situation. William J. Huggan, Progressive Life, discussed the New Jersey law, and J. W. Noel, Lumbermens Mutual Casualty, handled New York.

New Jersey Results

Giving the viewpoint of a small company, Mr. Huggan said Progressive Life started in the group business by participating in the New Jersey plan, and was able after the first year to give a 6% dividend. Another dividend is contemplated for this year. He urged that as many companies as possible write this type of business, stating that by so doing they will strengthen the industry contention that everything possible is being done to insure the public on a voluntary basis.

Mr. Huggan predicted that the present \$26 benefit in New Jersey will be increased this year, probably to \$28 or \$30. If this is done, he added, the chances are that proposed additions of hospital benefits will be bypassed.

In California the favorable experience of the companies and the state fund has aggravated the political problem of progressive benefit increases, Mr. Kirkpatrick said.

He mentioned that the small employer has many problems under a cash sickness law, the principal one being that he does not have people who can interpret the state regulations. According to a survey made by the state, about one-half of the small employers in California are having trouble with the law; many are in technical violation and have had approval of their plans withdrawn. The future of UCD as regards small risks is not too bright, Mr. Kirkpatrick declared. As benefits increase, it is only by economical and careful handling that the insurers can avoid being squeezed out.

Praises N. Y. Accomplishment

The companies did an excellent job in New York, Mr. Noel said in his remarks. The state fund wrote \$3 million in annual premiums out of an estimated \$80 million available. Even considering that there was considerable business already on the private companies' books, and only \$35 to \$40 million of new business was to be had, the state got less than 10%.

A better job was done in New York, Mr. Noel averred, because the companies had more know how based on experience in other states; more companies participated, and the law was more amenable to private company participation. He added that the companies were challenged to write the bulk of the business or accept a state monopoly.

Among the changes expected or being considered are those to require private plans to be more favorable than the

state's; consent of employees to private plans; 26 weeks' benefit instead of 13 plus 13 weeks maternity benefits; reduction in minimum group from 4 to 1, and entire contribution by the employer. However, Mr. Noel said he expects the first change will be to add hospital and surgical benefits.

The future of cash sickness, Mr. Kirkpatrick said in his summary, is temporarily good for the companies. Of the 17 states having such bills this year, none is expected to pass. The trend in new legislation introduced is more favorable to the companies. And the companies, with experience under three state laws are better able to detect the bad points of new bills quickly and present their case to the public and the legislators. However, Mr. Kirkpatrick observed, if the energy the companies have expended on cash sickness had been put into getting regular business there would

be more to show for it and fewer headaches.

R. C. Knoblock, Washington National, discussing loss of time coverage, said there is a trend to include occupational as well as non-occupational in group policies. The idea is to cover the lag in workmen's compensation where benefits do not begin before the 10th to the 14th day.

Labor unions are asking for group A. & H. benefits for occupational accidents to cover the difference in payment between workmen's compensation

(CONTINUED ON PAGE 28)

NORTH AMERICAN

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For Special Consideration

BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND  ILLINOIS

SPECIALIZING IN WORKMEN'S COMPENSATION
AND ALL LINES OF LIABILITY COVERAGE

Multiple line underwriting calls for a review
of your Reinsurance requirements.

Our trained staff can be of valuable assistance
in helping to work out your problems.



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CHANGES IN CASUALTY FIELD

Levis, Flay Named Fidelity & Casualty Branch Managers

Fidelity & Casualty has appointed James F. Levis manager at Philadelphia, succeeding J. A. Berry, who is retiring after 50 years of service, and Charles Flay, Jr., manager at Albany, succeeding C. W. Spader, who is retiring after 40 years with the company.

Mr. Levis joined the company in 1920, starting in the home office at New York in the accounting department.



J. F. Levis



Charles Flay, Jr.

Advancing to chief clerk there, he later went to Philadelphia as cashier and bond underwriter. After serving in Harrisburg as district manager, he went to Detroit in 1931 as office manager. In 1934 he returned to Philadelphia as bond superintendent, being promoted to agency supervisor in 1936. He is a member of Insurance Society of Philadelphia and has been active throughout the city and state in both bonding and agency circles. His oldest son is in the insurance business at Philadelphia.

Mr. Flay has been with the company since 1921. He started in the home office accounting department, serving in various capacities including branch office work and as chief clerk. He later supervised installation of the accounts departments at many of the company's branch offices. In 1936 he was transferred to New York as a special agent and a year later became supervisor of office agents. In 1944 he was appointed agency supervisor for the New York metropolitan area.

Fete Berry at Dinner

Mr. Berry started with Fidelity & Casualty in 1901. He held various positions in the home office and in 1912 became assistant manager of the metropolitan office, in 1920 was named manager at Newark, and in 1932 was appointed Philadelphia manager. Mr. Berry recently was honored at a dinner marking his 50th year with the company. It was attended by about 100 of his Philadelphia friends and associates. E. J. Uhler of the home office agency department acted as toastmaster. Mr. Berry received a golf bag and set of clubs.

Joining the company at the home office in 1911, Mr. Spader was named manager at Brooklyn in 1930 and two years later became Newark manager. In 1934 he went to Albany as manager.

Gsell Sales Director for Iowa Farm Bureau Group

Claire Gsell, formerly regional sales supervisor for Iowa Farm Mutual and Iowa Life, has been appointed sales director, succeeding W. C. Niebuhr, who has retired. Mr. Niebuhr had served as sales director for the Iowa farm bureau companies since 1948. Mr. Gsell had been serving in southeastern Iowa for the companies.

Wayne Smith, formerly supervisor of the home office sales department, has been appointed assistant to the sales director and in addition will handle promotional and publicity work. He joined the companies in 1948 and formerly was

with another company as advertising manager.

Herb Deason has been appointed regional sales supervisor for southeastern Iowa, succeeding Mr. Gsell. Paul Siedenburgh also has been appointed regional sales supervisor for southwestern Iowa, succeeding Jesse Bishop, who is resigning effective March 1.

Employers Names Oliver Ass't Deputy Manager

Leon R. Oliver, for two years personal assistant to Edward A. Lerner, chief executive of Employers' Group, has been appointed assistant deputy manager in charge of claims, payroll audits and engineering.

Mr. Oliver joined the company in 1936, starting in the claim department. He has a law degree from Northeastern University and is a graduate of the mechanical and structural engineering division of Lowell Institute.

Pierce of Aetna Retires

Charles F. Pierce, supervisor in the engineering and inspection department of Aetna Casualty, has retired after 37 years of service.

At a banquet held recently in his honor, Mr. Pierce was presented a gift from his associates by Donald G. Vaughan, manager of the department. Among those present was Mr. Pierce's son, Bruce T. Pierce, a safety engineer with Aetna at Boston.

Mr. Pierce, who has been in charge of industrial power plants and marine surveys, served as a chief stationary engineer and chief marine engineer before joining the inspection and accident prevention department.

Takes Over Ranni Agency

The Wesley J. Moffatt agency of Miami has taken over the James G. Ranni organization, which has served as manager for the disability division of Continental Casualty, having bought the business from the Moffatt agency last year.

Mr. Ranni will continue to act as Miami general agent of Manhattan Life.

Woods Named "Ad" Chief

Edward G. Woods has been appointed director of advertising and public relations for Jack Cage & Co., insurance managers of Dallas. Mr. Woods, a graduate of Southern Methodist university, has been with Industrial Publications Associates of Dallas as production manager.

Jack Cage & Co. are controlling stockholders and managers for Continental Fire & Casualty Ins. Co. of Texas and Home Life & Accident of Dallas, and also are underwriting managers of the southwest for Cimarron of Kansas and Penn-Liberty of Philadelphia.

W. J. Finn Joins Manhattan

William J. Finn has been appointed assistant manager of the New York metropolitan department of Manhattan Casualty. Mr. Finn at one time was with John A. Fekert & Co. at New York, later with Johnson & Higgins there, and since 1936 has been with the Thomas J. Hogan agency, also at New York, serving as vice-president since 1947.

Blanchard in Glens Falls Post

J. Arthur Blanchard has been named to the newly created position of manager of casualty and bonding departments at New York for Glens Falls group.

Mr. Blanchard joined Glens Falls Indemnity in 1929 at the home office.

E. A. D. Holmes has been appointed marine superintendent of Royal-Liverpool in Canada.

In 1939 he was appointed special agent and assigned to Poughkeepsie, and in 1941 was appointed manager.

S. D. Vargo and J. A. Dryer have been named assistant managers of the administration department at the home office of **Standard Accident**. Mr. Vargo has been with Standard since 1929 and Mr. Dryer since 1925.

ACCIDENT

Kendall Named Statistician of H. & A. Conference

Thomas A. Kendall has been appointed statistician of H. & A. Underwriters Conference. He joined the conference staff about seven months ago after completing his four-year course at Northwestern University. He was in the army for three years before entering Northwestern.

Burk N. W. Wis. President

A charter meeting of Northwestern Wisconsin Assn. of A. & H. Underwriters was held at Eau Claire. Officers are Spencer A. Burk, Continental Casualty, president; Gibson Wright, Continental Casualty, vice-president; Roy Bye, North American Life & Casualty, secretary, and Robert Bittenhoff, Lutheran Mutual, treasurer. Mr. Burke outlined the purposes of A. & H. associations on local, state and national levels.

N. E. Wis. Assn. Meets

The recently organized Northeastern Wisconsin A. & H. Underwriters Assn. held a charter meeting at Green Bay. W. H. Hanrahan, Business Men's Assurance, is president; R. H. Knuth, North American Life & Casualty, vice-president; and S. K. Ross, Woodmen Accident, secretary.

Vogel Has A. & H. Clinic

An A. & H. clinic was held by the William S. Vogel agency at Newark, with Christopher F. Lee, manager of the A. & H. department of Columbian National Life, as speaker. Fifty brokers and agents attended the clinic and luncheon.

Double at Milwaukee

William F. Double, Milwaukee attorney who specializes in business and estate insurance, discussed the place of A. & H. coverage in business insurance at the February luncheon meeting of A. & H. Underwriters of Milwaukee. President Alex H. Siegner, Business Men's Assurance, announced plans for a delegation to attend the annual sales congress of the Chicago A. & H. Assn. Feb. 20.

Victory Mutual Writes A. & H.

Victory Mutual Life, Chicago Negro company, has started writing individual A. & H. business. It is issuing straight accident, accident and health with hospital rider, which is offered on a very attractive basis, and family group hospitalization policies. All are on the annual premium basis, but arrangements may be made for payment on monthly installments. They will be pushed in all states in which the company operates, including New York.

Oppose Can. C. of C. Plan

WINNIPEG — The plan of Canadian Chamber of Commerce to bring employees of hundreds of small business firms into a Winnipeg-wide group plan is being hotly opposed by Winnipeg agents. The program would be underwritten by a private company, but the administrative details would be left to the chamber.

The plan's cost would be shared equally by employers and employees, and

the contract would provide life, hospital, and surgical benefits for workers and dependents, plus weekly indemnities for accident and sickness. The agents contend that since the chamber would handle the administrative details, it would solicit small firms to join and would be invading the insurance business in direct competition with many of its own members.

Extend Health Plan Study

WASHINGTON—The Senate committee on labor and welfare has approved a budget of \$50,000 for its subcommittee on health, which was recently granted by the Senate an extension of time to complete its study of voluntary health plans.

Interprets "in Advance"

The U. S. court of appeals, eighth circuit, has reversed the western Missouri federal court and held that an A. & H. policy providing for higher benefits if premiums are paid "in advance" means that these premiums must be paid for a full year in advance, and not at some time during or at the end of the year. Payments under the disputed policy were made quarterly. The

case, Hobbs vs. Mutual Benefit H. & A., is reported in 14 CCH (Life) 723.

The plaintiff had contended that payment "in advance" meant payment at any time during the quarter.

Ernst Speaks at Philadelphia

Carl A. Ernst, vice-president of International Assn. of A. & H. Underwriters, will address A. & H. Assn. of Philadelphia on Feb. 28. The association is inaugurating a group disability plan underwritten by Standard Accident. Mr. Ernst is manager at St. Paul for North American Life & Casualty.

FSA Report Plugs Health Plan

WASHINGTON—Oscar Ewing, federal security administrator, put in another plug for national health insurance in his annual report, recently released. As regards that subject, arguments about which "ran the full gamut of free speech," Ewing concluded:

"The conviction stands that national health insurance is the best way yet devised to prepay the cost of medical care and make adequate medical services widely available . . . without jeopardizing the traditional responsibilities of anyone—the doctors, the people,

or their government officials."

The report noted that "one of the most significant revelations of the congressional hearings" on social security act amendments, now law, "was the forceful support of social insurance by spokesmen for labor, management, and the public."

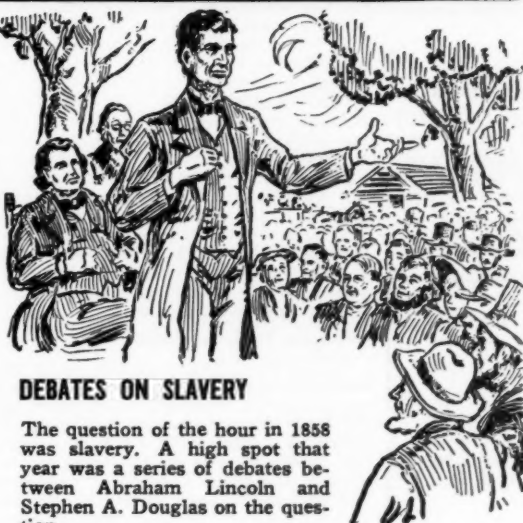
Issues Family Health Booklet

WASHINGTON—U. S. Chamber of Commerce has released a booklet entitled "Benefits and Costs of Individual and Family Health Insurance Policies," written by A. L. Kirkpatrick, manager of the chamber's insurance department, and Benjamin B. Kendrick, research associate Life Insurance Assn.

The booklet is a study based upon data obtained leading companies and fraternal. Two full page charts illustrate features contained in the most popular forms of policies issued.

A bill in the North Dakota legislature requires the "small print" in health policies be made to stand out and that any exceptions to the policy coverage be printed in red ink with the balance of the policy in green, black or blue ink.

HIGH SPOTS IN HISTORY



DEBATES ON SLAVERY

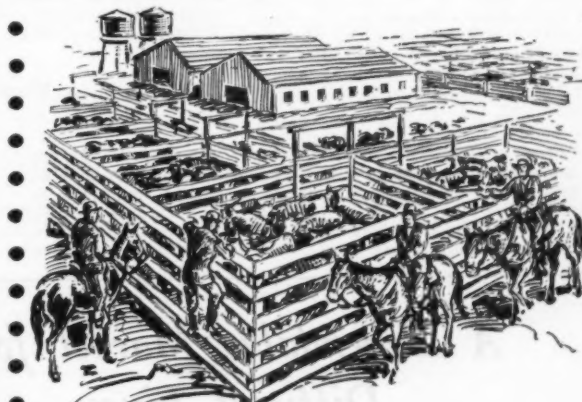
The question of the hour in 1858 was slavery. A high spot that year was a series of debates between Abraham Lincoln and Stephen A. Douglas on the question.



THE CHICAGO FIRE

Just when Chicago was becoming a metropolis of the midwest, back in October, 1871, the disastrous fire occurred. More than 100,000 persons were left homeless, and the damage was estimated at nearly \$200,000,000.

3: ILLINOIS



STOCKYARDS OF CHICAGO

A move that was to make Chicago the leading meat-packing center of the world took place in 1865 when the Union Stockyards were incorporated.

Also a High Spot

. . . . in many insurance agents' careers is when they join Hawkeye-Security & Industrial's great team.

Hawkeye-Security & Industrial are working constantly to build more sales for agents; prompt equitable settlements of claims . . . and skilled field representatives to work closely with all agents are just a few of the reasons why the trend is to these companies.



HAWKEYE - SECURITY INSURANCE CO.
INDUSTRIAL INSURANCE CO.

Des Moines, Iowa

NEWS OF THE CASUALTY COMPANIES

Fidelity & Deposit Net Earnings in 1950 Increased

Net income of Fidelity & Deposit in 1950, before federal taxes, amounted to \$3,882,673. After providing for net earnings were \$2,343,492, or \$7.81 per share. This compares with \$2,188,057, or \$7.29 per share, in 1949.

Gross premium revenue was \$21,364,765, an increase of \$63,727. Net premium income was \$16,582,033, or \$130,137 less than in 1949. Earned premiums in 1950, however, amounted to \$16,966,740, exceeding the best previous year by \$371,900.

Losses incurred were \$5,029,646, with a ratio to earned premiums of 29.6%. This was identical with the 1949 experience. Operating expenses in 1950 increased only a small fraction of 1%.

After providing for all statutory and other necessary reserves, the net gain from underwriting operations in 1950 was \$2,706,716, an increase of \$282,529 over 1949. Investment income was \$1,175,957, an increase of \$106,090.

Dividends paid in 1950 totaled \$900,000, of which \$195,000 was from a reserve set aside in the previous year. After providing \$195,000 for the January, 1951 regular dividend of 65 cents a share, the company added \$1,443,492 to surplus, increasing it to \$16,230,298 as of Dec. 31. Assets to be \$49,453,814, up \$2,221,293.

All bonds are carried at par, or market values of Dec. 31, 1950, if lower, and all stocks at market values as of the same date, exception for stock of American Bonding, F. & D. affiliate, which is carried at substantially less than its liquidating value.

Md. Casualty Has Underwriting Profit of \$2 Million

Maryland Casualty recorded an increase of 9.6% in net premium writings last year, the total being \$65,757,601. The gross premiums were the highest in history totaling \$69,375,347.

Maryland managed to turn in an underwriting profit, the figure being \$1,994,226 and the interest income was \$2,491,617.

Net earnings were \$3,016,331 after providing for federal income taxes of \$1,706,173.

Net surplus at \$21,250,086 was higher by \$1,194,504.

During the year Maryland purchased and retired 4,745 shares of its \$2.10 cumulative prior preferred stock, and there are now outstanding 225,923 shares.

N. W. Casualty Enters S. E.

Northwest Casualty of Seattle has been licensed in North Carolina and applications for license have been made in other southeastern states. The operations will be conducted from the southeastern department of Northwestern Mutual Fire at Raleigh.

2,828 Apply for Minn. Licenses

ST. PAUL—During 1950, 2,828 applications for licenses were filed by new agents in Minnesota. A. & H. applications led the list with 827 applications, and life insurance was second with 800. Applications for other lines were fire, 541; casualty and automobile, 553; and solicitors, 105. During the year, 6,032

agents' examinations were conducted by the department, of which 1,113 failed to pass.

N. J. Manufacturers Dividends

Directors of New Jersey Manufacturers Casualty and New Jersey Manufacturers Assn. Fire have declared a regular dividend of 20%, plus an extra 5% and a special extra 5%, or a total of 30% on policies expiring in April, May and June, 1951.

Hospital Cover Loss Ratios Rising

(CONTINUED FROM PAGE 21)

said no plan ever has developed such renewals as this. He has been very well pleased with over-all results so far, although there are several that have not been satisfactory. In all places the plan is very highly regarded and there has been virtually no dissatisfaction on the part of policyholders.

MEDICAL SESSION

The session on medical insurance, with Howard LeClair, Mutual Benefit H. & A., chairman of the conference medical insurance committee, presiding, did not bring out as much discussion as was expected, and concluded considerably ahead of the time scheduled. This was due in part to the fact that the survey of medical policies written by 37 companies, which was distributed at the meeting, was not actually put out until a few days before and even the members of the committee had not had a chance to study it sufficiently to tell very much about its implications.

Most of the discussion was concerned with state medical society plans and especially the effort to get more individual business written under those plans, which the discussion indicated has not been very successful so far.

Williams Reviews Plans

James R. Williams of the conference staff brought up that point in his general review of medical society plans and A. B. Hvale, continental Casualty, devoted his entire talk to that subject. Mr. Williams told of the work of the Health Insurance Council in endeavoring to advance such plans and the difference between the ones such as those in Wisconsin and Tennessee which set a definite ceiling on the low income groups for which the fee schedule set is to constitute payment in full and those such as the one in Illinois, which do not "spell it out." In those cases there are too many people that think they belong in the low income group. He said the companies generally prefer the Wisconsin type plan.

Mr. Williams also spoke briefly at the hospital session on the hospital admission plans which have been put into effect in a number of cities in connection with group business, and whether a similar plan can be devised for individual policies. He said certain company plans have been in use in some places but no satisfactory plan on an industry basis has been worked out. He mentioned the experiment along that line now being tried out at Birmingham at the suggestion of Alabama Assn. of A. & H. Underwriters and said it will be watched with great interest.

Fundamental Differences Told

Mr. Hvale said the hopes for a material increase in individual surgical cover through the medical society plans have not been realized. Out of 29 or 30 companies operating under those plans, only three or four are writing individual business. The increase has been small in relation to the efforts expended, except possibly in Wisconsin, and the results in all have been unsatisfactory.

He pointed out some fundamental differences between group and individ-

ual business in this respect. Plans for a group can be altered at any time but individual policies must be handled one at a time at different dates. He said no plan so far has operated for more than a year without making some changes in the schedule. There are also questions regarding the definition of income in connection with the limits set and just what the surgical fee covers. Altogether there is a hazy atmosphere. A company has to set up a special procedure for each and can't use the policies and literature used nationally. The situation has been complicated further in Wisconsin by the regulations imposed by the medical society, some of which can not be applied to individual policies under the standard provisions and other laws.

He offered several suggestions for changes in the operation of the plans, intended mainly to simplify and standardize them, which might make it easier to write individual business.

Advantages of Society Plans

M. C. Nichols, Provident Life & Accident, outlined some of the advantages of medical society plans and told something of the operation of the Tennessee plan. Medical sponsorship is an advantage, as the average man has a lot of respect for what his doctor says. He said it is important to meet medical and surgical needs in more substantial amounts. How well the need is met is just as important as how many people are covered.

The Blue Cross and private companies operate side by side in the Tennessee plan. The companies are now writing about 80% of the business but have to hustle to do it. It has the support of the doctors, labor and the people generally. It is probable that the income limit will be increased from \$3,600 to \$5,600. The companies are not only writing their new business under the plan but changing over many old groups. They are finding it possible to increase coverage where they now have some in effect.

As to the plans generally, Mr. Nichols said the situation on medical care is about the same as it was in the hospital field when Blue Cross stepped in and took over. Blue Shield is quite willing to do the same thing if the private companies fail to act. He said it is necessary that the plans be intelligently conceived and organized. If the companies regard them as a challenge and go at it aggressively, it will secure better recognition and sales resistance can be virtually eliminated. None of them is the final answer but they constitute a step in the right direction.

Comment on Medical Survey

In commenting on the medical insurance survey, Mr. LeClair said it showed that nine companies have been writing the so-called open or blanket policy, with a deductible and coverage for all expenses above that up to a certain maximum. Four reported the experience under that form unfavorable, two found it favorable on male but unfavorable on female risks and four had not sufficient volume or had not been writing it long enough to give their results much weight.

When that form was first introduced, he recalled it was predicted that it would go bad after two years and said it had worked out about that way. As compared with business written on the per call basis, he said the latter seems to be preferred by the companies, although the experience has been bad on both.

On the general question of the loss ratios on medical business on male and female risks and children, he said the latter two classes are much more hazardous and that no one so far seems to have the answer.

C. O. Pauley, conference managing director, spoke briefly on catastrophic coverage. He said efforts along that line so far have been confined largely to surgical, as in other forms of medical care there is danger of overuse of medical facilities and overcharges. However, he said the private companies must work out something along

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the line of catastrophic protection or the government will. He spoke of the narrow escape from the inclusion of total and permanent disability in social security and said that if the government sets up a catastrophe plan, it will have the machinery all lined up to move into the entire disability field.

He said there has to be some co-insurance in any such plan. He added that he was glad to note the experimentation which is going on. He said the one he had found most interesting is that of California Physicians Service. It lists 23 diseases for which it will pay up to \$5,000 over a two-year period. The insured must have the regular Blue Shield coverage.

He also reviewed the Liberty Mutual plan, first used in connection with a group of General Electric executives, but since extended to other groups and now being filed in many of the states. It was brought out in the discussion that it will write up to \$2,000 with a \$300 deductible and up to \$5,000 with \$500 deductible; also that it plans to go on an individual basis as well and to cover the whole family for an additional premium.

It was announced that at a committee meeting the previous day radiologists had asked for the inclusion in medical coverage on at least an optional basis of radio therapy and possibility diagnostic x-rays. They had no suggestions as to how much it would cost to include this additional coverage.

At the opening of the session, E. J. Faulkner, Woodmen Accident, conference president, said the interest manifested in these sessions gives evidence of the maturity of the business and also the appropriateness of the "conference" name. It is through an exchange of views that a better job of service can be done and inspiration given for further experimentation in providing needed coverage at a rate which will permit its purchase by an ever larger segment of the population. He declared that the catholicity of its membership gives the conference added strength.

Maxwell Sagat, insurance research analyst of the New York department, was in attendance as an observer.

Glimmer of Hope Found in Jan. Auto Experience

Some of the statisticians who keep close current tab on automobile experience say that there was some hopeful indications in the January record. While the loss experience was worse than in January, 1950, the deterioration relatively was not as serious as in October, November and December. Looking back over the recent past, the worst month was November.

One theory as to why the January record was less bad is that the winter throughout most of the country was so severe that many motorists very greatly restricted the use of their cars and everyone got accustomed to driving cautiously.

The bad record in November may have been due partly to the fact that the winter arrived unseasonably early in most parts of the country creating hazardous driving conditions, but not so hazardous as to bring about a decrease in travel or to put enough drivers on their guard. On the score of frequency, October, November and December constituted an appallingly bad quarter. During that period an enormous number of claims were put on the books and are yet to be settled.

Can Choose Own Doctor

ST. PAUL—An employee is justified in selecting another doctor to handle his case if the employer's physicians fail to diagnose correctly the cause of the employee's disability, the Minnesota supreme court held in upholding the state industrial commission which awarded Robert J. Mattila, a miner, \$750 for medical and other expenses.

The Oliver Mining Co., the employer, appealed from the commission's order. The court said that Mattila did not

need the consent of his employer or authority of the commission to select another physician.

Award Jumbo Construction Bonds

LOS ANGELES—Guy F. Atkinson Co. has been awarded the contract for a toll bridge across the Columbia River by the County of Wasco, Ore., at a price of \$1,988,572. The bond will be executed by Fidelity & Deposit.

M. H. Golden Construction Co., San Diego, was low bidder with a price of \$2,824,000 when the U. S. Navy Public Works office opened bids for the construction of a laboratory, supply and utility building at the Navy Electronics Laboratory, San Diego. Pacific Indemnity is on the bid bond.

Haddock Engineers, Montebello, Cal., with a bid of \$2,476,983, was low bidder when the U. S. Navy opened bids for construction for the naval ordnance test station of facilities at the Randsburg Wash Test Range, Inyokern, Cal. Travelers Indemnity is on the bid bond.

The city of Anaheim, Cal., acting as bargaining agent for the cities of Orange and Fullerton and the sanitation districts of Garden Grove, Buena Park and Placentia, has awarded the contract for a joint outfall sewer project to be known as the Magnolia Trunk Line, for a total of \$2,341,251. The total is made up of four units, the successful

bidders on which were: Unit 1, V.C.K. Co., Los Angeles, \$707,004.35 and unit 2, \$748,771.80; unit 3, Charles T. Brown and Paul Vukich Construction Cos., both of Los Angeles, \$763,803.20; and unit 4, A. H. Famularo and J. McElvany Co., Santa Ana, \$121,672. United Pacific is on the bond for V.C.K.; Travelers Indemnity for Brown and Vukich, and Pacific Employers for Famularo and McElvany.

Utah Tax Body Asks for Modified Assigned Risk Plan

Utah insurance representatives and members of the Utah assigned risk plan meeting with members of the Utah tax commission argued that the model automobile financial responsibility law be adopted in the state to replace present statutes.

The tax commission complained that the present law is unworkable, unjust and penalizes convicted violators out of proportion to the offense committed, but the group did agree to study the proposed legislation.

Perry H. Taft, San Francisco representative of Assn. of Casualty & Surety Companies, was moderator at the meeting, and among those attending was Ralph D. Callister, chairman of the Far West Agents Conference of N.A.T.A.

The tax commission stated that delinquent drivers should not be subjected to paying penalty rates, but should receive the same consideration as clean risk drivers.

At the same time, a measure has been introduced to the Utah Senate which would virtually repeal the present law by removing the requirement that the tax commission suspend or revoke a driver's license after conviction of specified offenses, or revoke registration certificates and license plates of convicted violators. The bill would also remove non-residents from being subject to the law and would shorten the period during which violators would have to keep proof of financial responsibility in force.

Also introduced in the senate is a bill to repeal the present financial responsibility law and enact a new law closely patterned after the model law of 1950 set forth by Assn. of National & Surety Companies.

Commissioner Maloney has denied the application for admission to California of Guarantee Reserve Life of Hammond, Ind.

Edward W. McDonald, U. S. commissioner for the southern district of New York, spoke at a meeting of Surety Underwriters Assn. of New York City.

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Conference Has Big Group Meeting

(CONTINUED FROM PAGE 23)

and the payment under group A. & H. for non-occupational. Employers, Mr. Knoblock remarked, today are encouraging an all inclusive group plan, figuring that it will cost them little under the new tax laws.

Group A. & H. rates are about 15% lower than they were a year ago, he said, attributing this to the result of TDB in New Jersey and to the competitive situation.

Absence of maternity benefits in New Jersey, plus lower acquisition costs, allowed the companies to write 15% off manual under the TDB law, he pointed out. However, the practice has spread to other sections where this reasoning does not hold.

Maximum disability periods are increasing and 26 weeks benefits are becoming the general rule. This is considerably motivated by the labor unions, he said. The unions think of loss of time from a catastrophic viewpoint. Some plans now call for 52 weeks, and Mr. Knoblock said this appears to be the union goal. He mentioned that benefits extending to 26 or 52 weeks promote malingering. Too wide an application of these plans could affect the companies adversely.

Many employers have discontinued asking for maternity benefits. The ladies don't come back to work after having a baby, and if this provision is left out the employer can get a rate reduction. Maternity is important in group hospital and surgical, however. The trend here seems to be for flat amounts for maternity.

Recommends War Clause

Bill Howland, Mutual Benefit H. & A., recommended that the companies put war clauses in all new A. & H. policies, and insert them in existing policies when the business is rewritten or new certificates are issued. He said public reaction probably would not be unfavorable. The war clause is in general use for accidental death and dismemberment and is widely accepted.

W. S. Collins, Union Labor Life, speaking on "Union Developments," noted that more non-contributory contracts are being written. There is a tendency to continue benefits as long as possible and to cover during unemployment and after retirement. Unions are asking for occupational coverage to augment workmen's compensation benefits. These demands are not unreasonable, he said, but they put a heavier burden on the private companies.

Unions are looking to regional or national contracts, which will provide uniformity wherever a worker may be.

The terrific sale of group, he declared, is eliminating the personal sale of A. & H. The market is so extensive that there is no need of prospecting. Many "consultants" have come onto the scene, and Mr. Collins maintained that a number of these consultants are not selling. The contact between the insured and the company is being lost. The company's job is turning into that of bidding on specifications submitted by a broker, or "data gatherer."

Urges Group Writing

"Every company must today be interested in group insurance," E. J. Faulkner, president of Woodmen Accident and president of H. & A. Underwriters Conference, said in opening the Tuesday afternoon session. Mr. Faulkner added that every company should contribute to getting the job done of selling the public adequately through group insurance. Unless group and franchise are pushed by the individual companies, they will be forced to the sidelines, he warned.

The afternoon program was devoted to hospital and surgical covers, with J. E. Hellgren, Lumbermens Mutual Casualty, presiding. F. A. Eggler, Washington National, discussing claim experience, observed that in considering whether 5 or 10 times daily benefits is enough for special fees, the area in which

the business is sold should be taken into account. Rural areas usually are less expensive. If more than 10 times is paid, extras begin to creep in, and treatments and services not necessary to the case are added.

Companies have started to wonder if \$150 is enough for surgery. Mr. Eggler said it is not for some operations, but whenever the limit is raised many doctors have a tendency to increase their charges accordingly. They conform to the maximum insurance schedule.

Taking up the "practically futile" topic of "Control of Experience," R. Frank Soyars, Provident Life & Accident, remarked that several good ideas can be used, but they are mostly theoretical since competition forces the company to employ known unsafe practices. There has been some limited success in working out claims experience with hospitals, he noted, especially in smaller towns where the majority of the people work for one or two insured concerns.

Blood Problem

Roy A. MacDonald of the conference staff mentioned a new kind of problem, criticism in a few local quarters of the companies paying for blood used in transfusions while groups are attempting to get replacement blood. The fact that the insurers pay for blood makes the public unwilling to donate. Mr. MacDonald explained that this is, so far, only a local problem in a very few cases, but he urged the companies to consider it before it assumes larger proportions.

James R. Williams of the conference outlined progress made with hospital admissions plans, and said the plans are estimated now to cover cities having a total population of 20 million. He explained the two types of plans in use and said that both offer the advantages of improved hospital relations; put the private companies on an equal footing with Blue Cross, and prove that the companies are competing favorably with Blue Cross.

A panel on medical society plans consisted of Lambert G. Schultze, Provident Life & Accident; Claude Morter, Hardware Mutual Casualty, and H. C. Pogue, Business Men's Assurance. Mr. Schultze talked on the Tennessee and Georgia plans, and said in Tennessee 260,000 people have been enrolled by 25 companies and two Blue Cross plans. About 10% of the enrollment is for individual policies. Seventy-five percent of the eligible doctors are participating. The Tennessee doctors are thinking of adding medical benefits optionally, he reported.

The Georgia plan, which is patterned after Tennessee, is not yet in operation, but will start Feb. 15. Mr. Schultze said more companies are welcome to enter this field. There is plenty of business.

In Wisconsin Mr. Morter said 26 companies are selling the business, and one Blue Shield plan is offering a similar coverage.

Loss Is 5%

Since inauguration four years ago, the companies have had an 83% loss ratio in Wisconsin, and the expense ratio has been 22%. However, most of the loss occurred in the beginning when the plan was being set up. Today the companies can charge whatever rates they want, and experience is expected to improve.

Mr. Morter predicted that the surgical fees schedule will be raised from \$150 to \$200 to \$250; payments will be required to be made direct to doctors, and expenses of the medical society in administration will be taken over by the companies. This amounts to some \$5,000 annually.

Mr. Pogue commented that the New Mexico schedule is higher than in the other states. There are 35,000 people insured, and 90% of the doctors are signed up.

The talk of John Hovevar, Business Men's Assurance, on "Conversions and

Extensions of Benefits," was of great interest. He outlined his company's practice in converting group policies, mentioning that the adverse selection encountered in converted business has produced a 10 to 15% higher loss ratio. B.M.A. regards the conversion privilege as an extra benefit in group covers, and charges extra for it, he said. Mr. Hovevar was subjected to a thorough cross examination during the question period.

Questions were reserved until the end of the session. Mr. Eggler was asked if claim settlements under hospital admissions plans have increased. Yes, he answered, since often the company must issue as many as four drafts to cover ambulance, doctor and hospital. Also, the claims are higher. The hospitals have full knowledge of the benefits available, and are prone to charge up to the limit.

Ask Utah W. C. Hike

Workmen's compensation bills introduced in the Utah legislature include one to increase benefits to a maximum of \$43.75 a week for claimants with minor children, and to a minimum of \$25 per week unless wages actually earned were less. It also provides for new maximum total benefits up to \$13,650, and includes substantial increases for specified disabilities.

Another bill would remove the occupation of sheepshearing, as an agricultural pursuit, from benefits of the compensation law.

Another bill would amend the law to provide for payment by the Utah finance commissioner of dividends to policyholders by the state insurance fund. Utah had a surplus as of June 30 of more than \$4 million in the state fund, and these are earnings over and above the reserves required for filed claims and contingencies, which total \$3,334,000. All the excess would be refunded.

Claims Council Hears Boyle

About 94% of the 5,000 Illinois automobile thefts in 1950 were attributable to teen-agers, State's Atty. Boyle told a meeting of Chicago Casualty Claims Managers Council. He opined that this percentage could be reduced appreciably if assured were more inclined to force prosecution once the identity of the person who stole the car is known. Mr. Boyle reviewed the problem of ambulance chasing in Chicago on the part of physicians and attorneys, mentioning that he thinks the claims managers can do much to alleviate the situation.

Underwriter Goes with Hitke

Robert E. Smith has joined Kurt Hitke & Co. at Chicago as automobile underwriter. Mr. Smith has been in

Convention Dates

Feb. 19-21, American Management Assn. Insurance seminars, Hotel Roosevelt, New York.

Feb. 27, Pittsburgh Insurance Day, William Penn Hotel.

Feb. 27-28, Zone 5 of N.A.I.C., Cosmopolitan Hotel, Denver.

March 12-13, Midwest Territorial Conference of N.A.I.A., Peabody Hotel, Memphis.

March 29-30, Zone 4 of N.A.I.C., Hotel Savery, Des Moines.

April 2-5, Blanks committee of N.A.I.C., New York.

April 1-2, Insurance Advertising Conference, spring meeting, New York.

April 9-11, Western Underwriters Assn., annual, Ponce deLeon Hotel, St. Augustine, Fla.

April 10-11, Minnesota Agents, midyear, Radisson Hotel, Minneapolis.

April 10-11, Zone 4 of N.A.I.C., Roosevelt Hotel, New Orleans.

April 13-14, Tri-state convention of Colorado, New Mexico and Wyoming agents, Colorado Springs.

April 29-May 2, Zone 2 of N.A.I.C., Francis Marion Hotel, Charleston, S. C.

May 3-5, North Carolina Agents, annual, Carolina Hotel, Pinehurst.

May 9-11, Alabama Agents, annual, Battle House, Mobile.

May 10-11, Casualty Actuarial Society, annual, Seaview Country Club, Absecon, N. J.

May 14-16, Health & Accident Underwriters Conference, annual, Detroit.

May 17, Midwestern Independent Statistical Assn., annual, Hotel La Salle, Chicago.

June 3-6, National Assn. of Insurance Commissioners, annual, New Ocean House, Swampscott, Mass.

June 7-9, National Assn. of Independent Insurance Adjusters, annual, Baker hotel, Dallas.

June 10-13, International Assn. of A. & H. Underwriters, annual, Dallas.

Aug. 23-24, Oregon Agents, annual, Baker.

Sept. 10-12, International Claim Assn., annual, Monmouth Hotel, Spring Lake, N. J.

Sept. 10-13, National Assn. of Independent Insurers, annual, Hotel Stevens, Chicago.

Sept. 30-Oct. 4, National Assn. of Mutual Insurance Companies and Federation of Mutual Fire Insurance Companies, Hotel Statler, Detroit.

Oct. 5-6, Colorado Agents, annual, Broadmoor Hotel, Colorado Springs.

Oct. 21-22, Ohio Agents, annual, Cincinnati.

Oct. 1-3, Conference of Mutual Casualty Companies, annual, Hotel Statler, Detroit.

Oct. 29-31, Bureau of A. & H. Underwriters, annual, Homestead, Hot Springs, Va.

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Loyalty Group
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THE royal governors of five colonies met with General Edward Braddock in the Blue Room of the Carlyle House, Alexandria, Virginia, in April 1755. The purpose of the council was to discuss the colonists' participation in the French and Indian War and to plan Braddock's Indian campaign. George Washington, then only twenty-three years of age, was also invited to join the group on account of his knowledge of Indian warfare. Though Washington was made a member of Braddock's staff with the rank of major, because of his youth, the general was reluctant to follow his advice.

A few days after the meeting Braddock's expedition set out from Alexandria only to

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scene of fateful decisions

be overwhelmingly defeated in a disastrous battle near Fort Duquesne in which the general lost his life and three-quarters of his troops were killed, wounded or missing. To prevent the enemy from knowing of Braddock's death his men secretly buried him and concealed his grave by driving heavy wagons across it. At the midnight burial Washington read the service after which he led the thirty survivors of his force back to Alexandria.

A tax on the colonists to finance the French and Indian War was proposed by the governors in their historic meeting in the Blue Room. Preceding the Stamp Act by ten years, it was the first of the levies which were to incite rebellion against the British government. As the first demand for taxation originated in the Carlyle House, the home has often been referred to as "the place where the Revolution was born."

Owner of the house was Colonel John Carlyle, one of Alexandria's wealthiest men and a prominent social and political figure. Emigrating from his native Scotland to Dumfries, Virginia, in 1740, with two fellow countrymen he later moved up the



Blue Room, scene of councils and balls



Early utensils to delight lovers of antiques

Potomac to the site of Alexandria of which they became founders and trustees. Every year on St. Andrew's Day kilted bagpipers and other members of the local St. Andrew's Society pay tribute to the Scots who founded Alexandria.

For many years Carlyle carried on a prosperous trading business with Glasgow. During the Revolution his ships succeeded in running the British blockade, enabling him to supply Washington's army.

The Carlyle House was built in 1752 on the site of an old fort known as the Hanging Fort because of the numerous executions that took place there. Still visible in the foundations are traces of gloomy dungeon cells where Indians were imprisoned.

This impressive old mansion is now open to the public through the courtesy of its owner. Though present-day buildings have encroached on the surrounding area, aside from its historical interest it is architecturally important as one of the great houses of Virginia.

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